

NATION'S BUSINESS

ERCE OF T

Wilmington Institute Free Librar
Wilmington, Del.

UNITED STATES OF AMERICA

CHAMBER OF

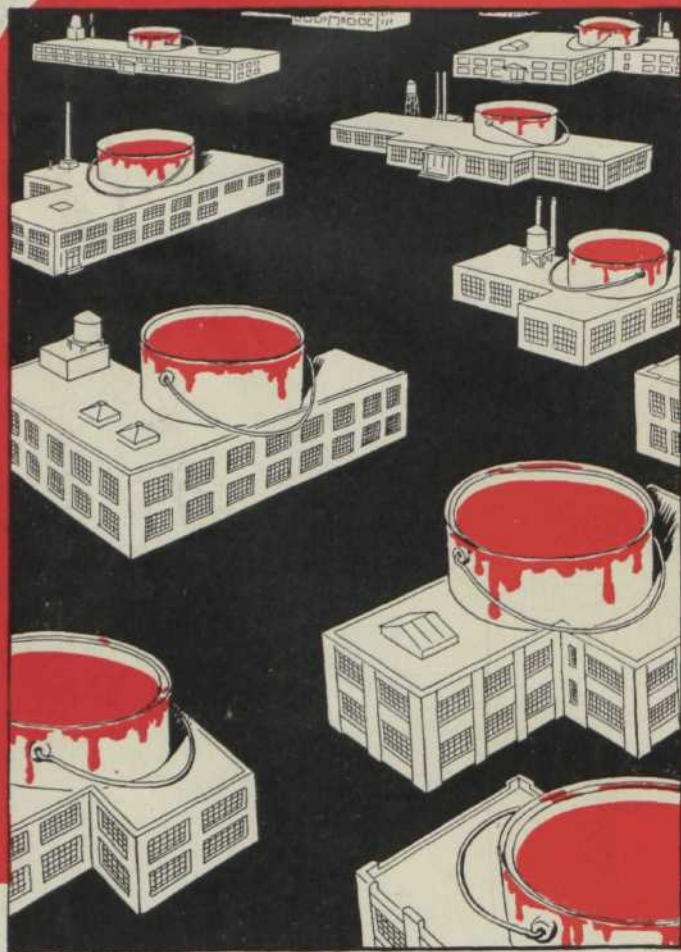
**EXTRA
EDITION**



MAY · 25 · 1929

THIS ISSUE MORE THAN 350,000 CIRCULATION

K I L L F I R E W H I L E I T I S Y O U N G



Guarding 3 out of 4 plants • • *against fire*

Save the Surface and You Save All! To cover the "surfaces" of the world, the tremendous output of the Paint and Varnish industry must flow in a never-ceasing stream! The invasion of Fire—the great interrupter—must be guarded against!

719 plants—more than three out of every four plants in this great industry—are safeguarded against fire by American-LaFrance and Foamite Protection. 719 plants know that "correct protection" is more than "a few extinguishers to reduce fire insurance premiums"—and that only the *complete* American-LaFrance and

Foamite service builds a safe barrier against fire.

American-LaFrance and Foamite Engineers will analyze your fire hazards and recommend and install *complete protection against fire*. They will instruct your employees on the use of fire-fighting devices. And, if you wish, they will inspect and assure proper maintenance of these devices.

Products of this company include every recognized type of fire-fighting equipment, from one-quart extinguishers to motor fire apparatus. Some form of this

protection will surely safeguard your business from fire. Without obligation one of our engineers will survey your plant and submit recommendations for complete protection.

A series of booklets on fires and their control will be sent on request. American-LaFrance and Foamite Corporation, Engineers and Manufacturers, Dept. D55, Elmira, New York.



American-LaFrance and Foamite Corp.
Dept. D55, Elmira, N. Y.

- ☐ Please send your booklets on Correct Protection Against Fire.
- ☐ Have a Fire Protection Engineer call.

Name

Company

Street Address

Town or City State

AMERICAN-LAFRANCE AND FOAMITE PROTECTION
A Complete Engineering Service
For Extinguishing Fires

An important message from *The Equitable* to Stockholders of Close Corporations

NEWSPAPERS have recently carried stories about internal dissension and radical changes in management and policy in several successful close corporations.

Perhaps you have wondered, "What caused these disagreements?"

This might have been the story: A big stockholder died. The other stockholders had no funds to purchase his holdings. Furthermore, they had no definite way to determine what his holdings were worth. The heirs of the deceased stockholder therefore sold their shares to outsiders. Enter unknown, outside interests to disrupt the smooth workings of the corporation's affairs. Enter interests who are unsympathetic



to policies that had proved themselves successful. Enter, if you please, so many voting shares *that did not know the business.*

Your entire income, a large part of it, or a small part of it is derived from the profits of a close corporation. How would it affect you to have something of this nature happen to your business?

You and the other stockholders are naturally making every effort to assure your corporation's continued success. It is important, therefore, that you consider this serious close corporation *weak spot.*


Write to The Equitable today and ask for a copy of our booklet entitled "*To Officers of Close Corporations.*" It outlines a remedy for this serious *weak spot.*

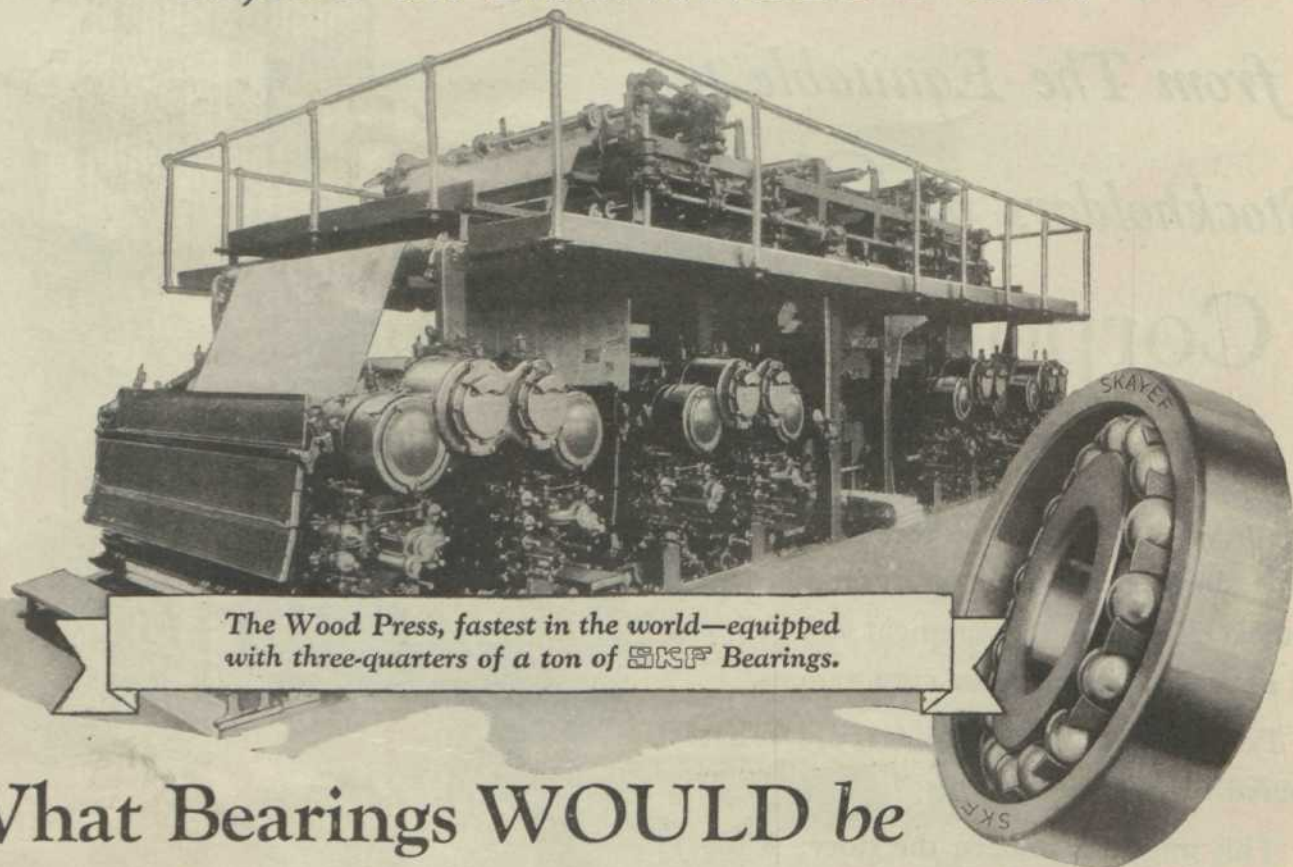
THE EQUITABLE TRUST COMPANY OF NEW YORK

11 BROAD STREET
LONDON · PARIS · MEXICO CITY
Total resources more than \$550,000,000

© E. T. C. of N. Y., 1929

Nation's Business is published on the 30th of every month by the Chamber of Commerce of the United States, Washington, D. C. Subscription price \$3.00 a year; \$7.50 three years; 25 cents a copy. Entered as second-class matter March 20, 1920, at the Post Office at Washington, D. C., under the Act of March 3, 1879.

A Thousand  Newspapers a Minute....
60,000 an Hour....LET'S GO!



The Wood Press, fastest in the world—equipped with three-quarters of a ton of SKF Bearings.

What Bearings WOULD be selected for the fastest press in the world?

SIXTY thousand thirty-two page newspapers an hour—literally a third of a mile of news every minute—that's the astounding performance of the new high speed Wood Press, one of which has been installed in the plant of the New York Times, New York City.

And Henry A. Wise Wood, inventor of this new miracle of newspaperdom, knowing how expensive cheap bearings can be, ECONOMIZED by selecting "the highest priced bearings in the world"—723 of them weighing *three-quarters of a ton for every press!*



Men whose genius builds great machines such as the Wood Press, invariably come to SKF for anti-friction bearings. They KNOW SKF—KNOW that SKF owns its own mines from which come special steels—KNOW that SKF in its world wide organization of specialists is the largest producer of anti-friction bearings for industrial use in the world. And finally, they KNOW that it costs more to replace a cheap bearing than to buy the best that SKF ever produced.

If you have a bearing problem, put it up to SKF.

SKF

SKF INDUSTRIES, INC.
40 E. 34th Street, New York, N. Y.

2280

"THE HIGHEST PRICED BEARING IN THE WORLD"

THIS QUESTION OF PRICE

as it applies to doorways

MAYBE you have wondered why price appears to be a secondary consideration with R-W engineers.

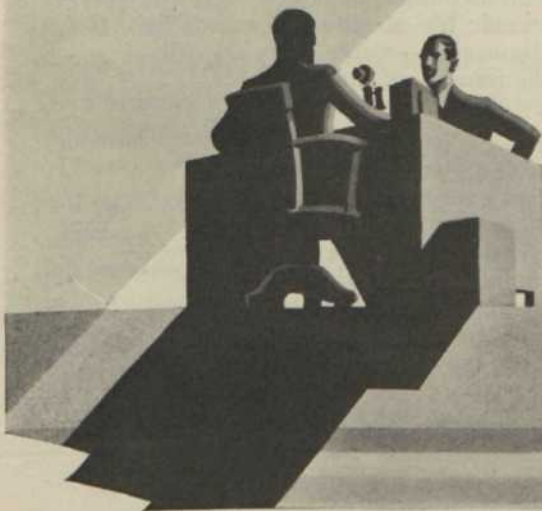
The simple obvious answer is that Richards-Wilcox prefers not to compete for your favor on the price basis, but on service and responsibility.

Nothing is more deceptive than a low first cost . . . it's the final cost and performance that determine price and should govern the selection of doorway equipment.

The building itself is stationary, but its doors must always be readily, easily movable. Their efficient operation depends on both the doors and the proper hardware. When final cost and correct equipment are the chief considerations, R-W doors and hardware invariably win.

This has been proved throughout twenty-five years of making the right kind of equipment for every type and size of doorway.

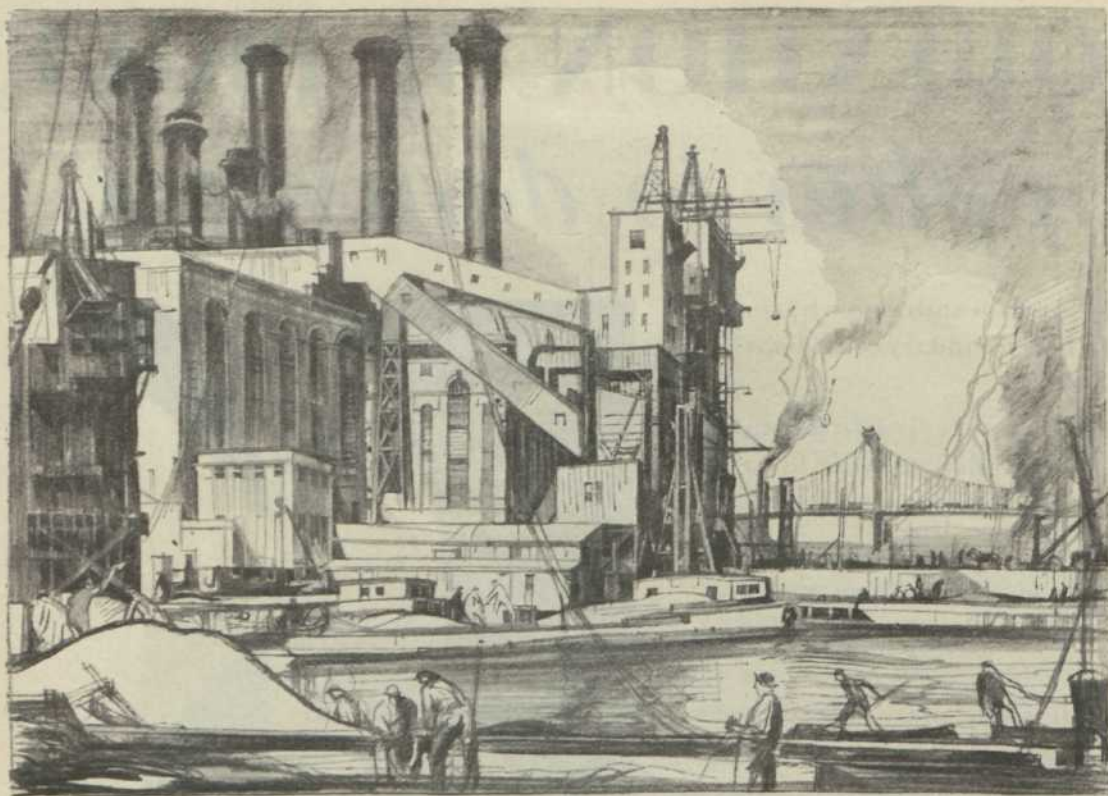
Consult an R-W engineer and you'll discover what we mean by "R-W Service and Responsibility."



Richards-Wilcox Mfg. Co.

"A Hanger for any Door that Slides."

New York AURORA, ILLINOIS, U.S.A. Chicago
 Boston Philadelphia Cleveland Cincinnati Indianapolis St. Louis New Orleans Des Moines
 Minneapolis Kansas City Atlanta Los Angeles San Francisco Omaha Seattle Detroit
 Montreal • RICHARDS-WILCOX CANADIAN CO., LTD., LONDON, ONT. • Winnipeg



The Power Plant—One of a series of industrial drawings by Earl Horter

Correct lubrication can bring about definite economies and increased efficiency no matter what kind of product you manufacture.

This machinery builder saved \$14,039 a year in tap and die renewals

This will interest your engineers

One of the world's largest makers of farm machinery thought that his plants were being operated at top notch efficiency. Operating costs were within reasonable limits.

A Vacuum Oil lubrication specialist was called in. Gargoyle lubricants were applied according to his recommendations. After 6 months the monthly cost of tap and die renewals was reduced 55% and the annual saving directly traceable to improved lubrication was computed at \$14,039.

In another department, previous to the use of Gargoyle lubricants, the spindle bearings on a battery of screw machines required replacement every 3 months. At the time of our last report from this plant no renewals had been needed in 6 months.

Total economy much greater

But month to month and year to year savings are usually relatively unim-

portant results of scientific lubrication.

Scientific lubrication, by lowering the frequency of repairs, not only saves maintenance costs in all its phases, but it lengthens the economic life of machinery and saves thousands—sometimes hundreds of thousands—of dollars in renewal costs.

We are lubrication specialists. In 62 years the engineers of the Vacuum Oil Company have studied every type of machine, and this study goes steadily on, day after day. When plants such as yours appoint us as lubrication advisers, one of our trained men immediately makes a comprehensive audit of equipment and submits a report. There is no charge for this service.

We believe we can be of considerable assistance to you in the matter of reducing costs and adding efficiency in plant maintenance. Our representative will call at your request or the request of one of your engineers.

Vacuum Oil Company

HEADQUARTERS: 61 BROADWAY, NEW YORK

BRANCHES AND DISTRIBUTING WAREHOUSES THROUGHOUT THE COUNTRY

When writing to VACUUM OIL COMPANY please mention Nation's Business

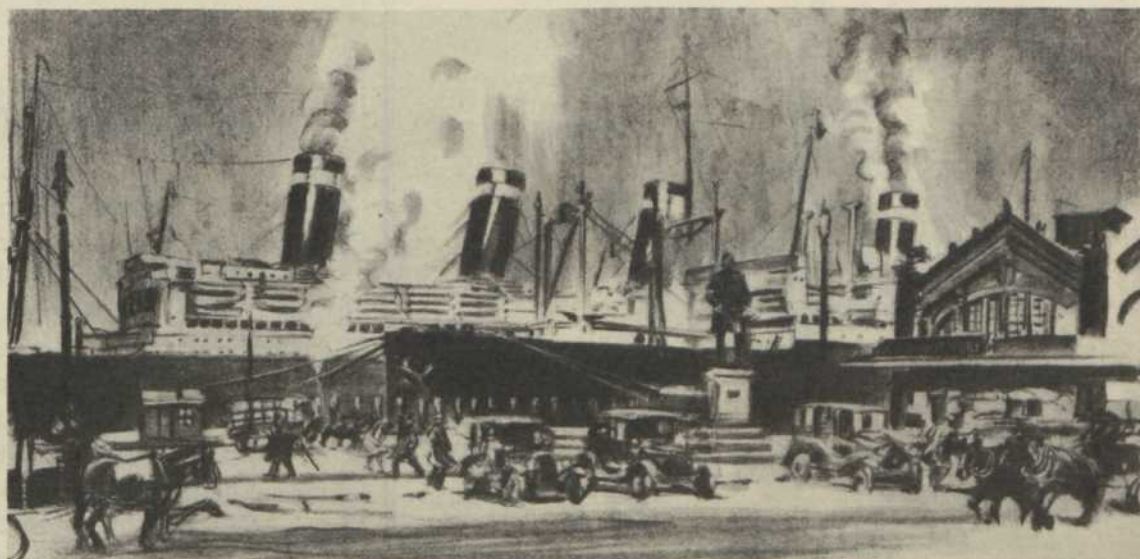


Lubricating Oils

The world's quality oils for plant lubrication

NATION'S BUSINESS ★ EXTRA EDITION

Published at Washington by the Chamber of Commerce of the United States



Ambassadors of American Business—A Lithograph by J. W. Golinkin

CONTENTS

	Page		Page
Business the Civilizer.....	Merle Thorpe 9	What Government Asks of	
A Clearing House of Experience..	John W. Love 11	Business.....	Julius Klein 35
Business Has Its Part in		Farm Aid and the Cooperatives..	Edwy B. Reid 36
Progress.....	William Butterworth 13	The Trade Practice	
Growing Responsibilities of		Conference.....	Wainwright Evans 37
Business.....	Julius H. Barnes 15	Expanding Our Industries.....	L. W. Moffett 38
The Widening View of Business..	John H. Fahey 17	Government and Transporta-	
Business and the Farmer.....	Earl Elijah 19	tion.....	Stanley H. Smith 39
Our Stake in the Pacific.....	Chester H. Rowell 21	A Sane Conservation Program....	Irvin D. Foos 41
Our Mutual Business Problems...	C. H. Cahan 23	Planning and Financing a City...	M. H. Glazer 42
Bringing the Tariff Up to Date..	Willis C. Hawley 25	The Challenge of the	
The Future of Small Business..	J. Frank Grimes 27	Chains.....	William Boyd Craig 44
What the Trade Association		Business Studies Tariff	
Offers.....	Christie Benet 29	Principles.....	Robert B. Smith 48
Business Can Make Taxes		Charting the Financial	
Fair.....	John G. Lonsdale 30	Dangers.....	Clarence L. Linz 50
Business Goes on Record.....	31	Business Considers Insurance..	Bertram F. Linz 52
When Business Goes Abroad....	Henry J. Allen 32	Traffic of the City and Its Trade	
The Impress of Science on		Area.....	Harold F. Lane 58
Business.....	C. F. Kettering 33	Protecting the Older Worker..	Lynne M. Lamm 62

MERLE THORPE, Editor and Publisher

Managing Editor, WARREN BISHOP; Director of Advertising, GUY SCHVNER; Business Manager, J. B. WYCKOFF; Circulation Managers, O. A. BROWN, L. F. HURLEY.

Branch Offices—New York, Graybar Bldg. Detroit, General Motors Bldg. St. Louis, Chamber of Com. Bldg. San Francisco, Merchants Exchange Bldg. Boston, 89 Federal St. Dallas, 1101 Commerce St. Cleveland, Keith Bldg. Philadelphia, Guarantee Trust Bldg. Chicago, First Natl. Bank Bldg. Atlanta, Chamber of Commerce Bldg. Pittsburgh, Chamber of Com. Bldg.



As the official magazine of the National Chamber this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers.

SUBSCRIPTION RATES: Three years, \$7.50; one year, \$3.00. General Office—Washington, D. C.

Please notify us promptly of change of address.



Meeting the Growing Needs of Business

TO KEEP PACE with the rapid expansion of industry, business requires ever greater and more comprehensive banking facilities.

These larger requirements are adequately met by the Irving Trust Company. The following comments recently were received by our Out-of-Town Office:

"The service you are giving us is very complete and satisfactory. It leaves nothing to be desired."

"The handling of our account with you is and always has been entirely satisfactory."

The Out-of-Town Office, a complete banking unit devoted solely to serving customers outside of New York City, assures prompt and careful attention to details of service and the intelligent handling of transactions.

IRVING TRUST COMPANY

Out-of-Town Office—Woolworth Building

New York

The Why of the Extra Edition

EVERY year the editors of NATION'S BUSINESS declare an extra dividend in the form of a special edition in which is reflected some part of the spirit, the accomplishment and the bigness of the Annual Meeting of the Chamber of Commerce of the United States.

It is perhaps not a very tangible dividend, but, although its worth cannot be estimated by accountants, it should not be regarded as valueless.




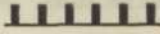

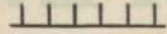



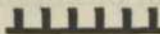








This, the eighth of the line, is not a photographic reproduction of the Seventeenth Annual Meeting. It is not a text book of economics. It is not a business man's guide to larger profits. None of its 350,000 readers can open it and turn to advice on how to solve his individual problems.

It is merely an expression of the opinions and observations of 2,500 business leaders who gathered at this congress of business to pool their experiences and knowledge for the common good of each other and of humanity.

In it are recorded the trends of modern business as brought out by address and discussion at the Annual Meeting. Sometimes these trends are interpreted, frequently they are not, but always there is an invitation for the individual to study them and draw his own conclusions.

It is this invitation to thought that makes the Extra Edition—the thirteenth annual number of a monthly magazine—worthy to take its place among the other 12 larger numbers. On that is based its claim for importance, its justification for being.

Thus, though this dividend from NATION'S BUSINESS has no negotiable value, though it represents no immediate return in dollar and cents, it is a dividend of great importance because it adds to that greatest of all assets of business man—stimulation.

 TENDER SKIN HEAVY BEARD 	 TENDER SKIN MEDIUM BEARD 	 TENDER SKIN LIGHT BEARD 
 MEDIUM SKIN HEAVY BEARD 	 MEDIUM SKIN MEDIUM BEARD 	 MEDIUM SKIN LIGHT BEARD 
 TOUGH SKIN HEAVY BEARD 	 TOUGH SKIN MEDIUM BEARD 	 TOUGH SKIN LIGHT BEARD 

Name your beard, Gentlemen

BEARDS are past reforming. Blue and bristly or blond and silken, they're all hard to shave—at least you can't tell their owners otherwise.

We don't try to.

It's easier to put the burden on the blade; to use the best and most expensive steel and to spend, as we have, some \$12,000,000 in the past ten years to develop precise and delicate machines that hone and strop that fine steel far beyond the limits of human craftsmanship. It's easier to pay a bonus to workers for every blade they

reject which does not come up to the high Gillette standard.

True, it makes some difference whether your beard is heavy or silken, your skin sensitive or

tough; whether the water is hot or cold, hard or soft; whether you slept well or badly the night before.

But even under the worst possible conditions you can count on the Gillette Blade to do its job smoothly, surely and well. It's the one constant factor in your daily shave. Gillette Safety Razor Co., Boston, U. S. A.



THE NEW FIFTY-BOX. Fifty fresh double-edged Gillette Blades (10 packets of fives) in a colorful chest that will serve you afterward as a sturdy button box, cigarette box or jewel case. Ideal as a gift, too. \$5.00 at your dealer's.

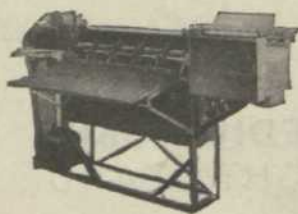




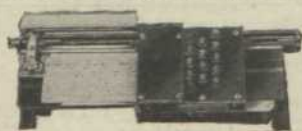
★ Gillette ★



Electric Accounting Machines for Every Kind of Business



ELECTRIC ACCOUNTING MACHINE



ELECTRIC KEY PUNCH



TYPE B3 ELECTRIC SORTING MACHINE



TYPE B3 ELECTRIC TABULATING MACHINE

Electric Tabulating and Accounting Machines (Hollerith Patents), which bring to accounting an unlimited range of possibilities, are the world's most up-to-date means of handling the figure-facts of business.

Comprehensive and flexible, this equipment can be applied to all accounting and statistical work with time-, labor-, and money-saving results.

Furthermore, the line of Electric Tabulating and Accounting Machines is complete. From the type 83—which is profitably employed by small concerns whose requirements do not demand the full power of the standard equipment—up to the large 7-bank printer is a large variety of types adaptable for use by every size and kind of business. Among them is one that fits your particular needs.

Write or telephone to our nearest office for studies of your statistical and accounting problems. We shall be glad to make them and render solutions. No obligation whatever.



ELECTRIC TABULATING MACHINE



ELECTRIC DUPLICATING KEY PUNCH



ELECTRIC SORTING MACHINE (Horizontal Type)



AUTOMATIC GANG PUNCH

International Business Machines Corporation

THE TABULATING MACHINE COMPANY DIVISION
INTERNATIONAL TIME RECORDING CO. DIVISION
DAYTON SCALE COMPANY DIVISION

50 BROAD ST., NEW YORK, N. Y.
Branch Offices and Service Stations in
All the Principal Cities of the World



CANADIAN DIVISION
International Business Machines Co., Ltd.
300 Campbell Av. West Toronto,
Ont., Canada



Business the Civilizer

THIS number brings to the reader the highlights of the Annual Meeting of the United States Chamber of Commerce. The sessions were attended by 2,500 business men, most of them leaders in their respective industries and communities. It is not too much to say that seldom, if ever, has there been gathered together such a representative cross-section of the intellect, the will, the courage, and the enterprise of our national life.

Men came to contribute to the glories of American business by taking stock of its growing responsibilities. They came realizing that business is not a compartment of life, not the cold abode of economic formula, not the bleak domain of the specialist. They came realizing, some unconsciously, perhaps, that the nation's commerce and industry is a vast laboratory for the development of all the humanities.

For business, because of its complexity, its interdependence, is teaching the great lesson of human unity, of human responsibility, of the obligations of man to man. Business is an educator, a conciliator, a coordinator, a salvager. Business is indeed the great civilizer.

But business still needs interpreters. Too often it seems only a wilderness of particularities, with no human beings left, nothing but advocates of this or that.

The Annual Meeting of American business is an intelligent procedure for the clearing up of cross purposes and the improvement of business vision. Business convenes in order to make itself

more useful. That is a serious business in itself. It is an affair that needs no stimulation of conviviality to give it interest, no social embroidery to give it distinction. Busy men who accept an opportunity to exchange valuable ideas, to pool experiences, are not the men to mistake a convention for a carnival.

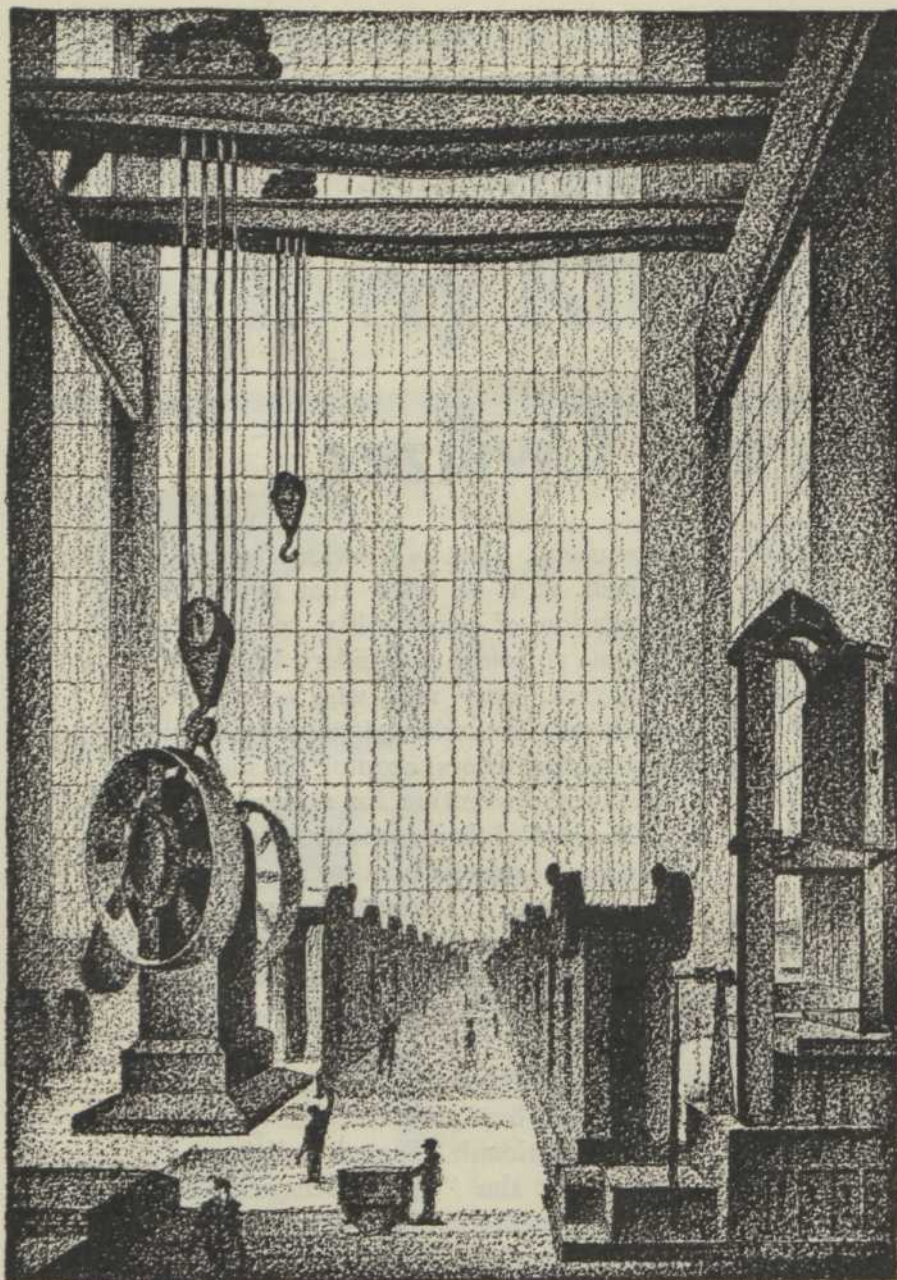
The proof of their earnestness and application is accessible in every community represented. Leadership comes to a larger stature in this democratic forum of business, and returns to its local scene with riper powers of guidance and direction.

The quality of this ministry is not doctrinaire, but practical; not provincial, but national. Through enlightened self-interest the "dismal science" has become a healing art upon which a whole people thrives and prospers.

Through it has come a finer health, a greater comfort, a more complete happiness. Only as business dedicates itself to higher standards of ethics and efficiency can the masses of the people who, whatever their small niche, are a part of this vast enterprise, know the contented peace of dreams fulfilled.

And so this Annual Meeting of minds helps to fulfill the bright promise of the Twentieth Century, for it has been well and truly said that its high purpose is not "to entertain people, nor to move them to tears and laughter, but to persuade them to understand."

Merce Thorne



Under The Austin Method of Undivided Responsibility, the complete project—design, construction and building equipment (heating, lighting, plumbing, etc.)—is handled by this one organization under one contract which guarantees in advance: 1. Low total cost for the complete project. 2. Completion date within a specified short time. 3. High quality of materials and workmanship.

WHERE do million dollar ideas come from?

THE most revolutionary and profitable innovation of recent years in the steel industry was developed from a long accepted idea and process in paper making.

The value of the outside viewpoint! Ideas are the vital factors, the heart-beats of business today. Only the business that looks ahead, anticipates the trend, meets it with new ideas, can win the big success.

An organization of 450 trained engineers, with specialized experience in various branches of industry, stands ready to serve you with ideas for improved methods . . . forward-looking plant design, construction and equipment.

Permanent Austin offices from Coast to Coast provide manufacturers with this unique service locally or at far distant points from their home offices. Work in the East is handled by New York and Philadelphia offices with complete engineering and construction organization authorized to negotiate with you on any type of project.

An office is located in the steel center at Pittsburgh; another in the heart of the central machine tool district at Cincinnati; another in the automotive stronghold at Detroit; still others at Chicago, St. Louis, Dallas, and along the West Coast, while national headquarters are located at the original home of the Company in Cleveland.

For approximate costs and other information on any type or size of building project, phone the nearest office, wire, or send the Memo below.

THE AUSTIN COMPANY

Engineers and Builders • Cleveland

New York Chicago Philadelphia Detroit
Cincinnati Pittsburgh St. Louis
Portland Seattle
Phoenix



The Austin Company of California: Los Angeles,
Oakland and San Francisco
The Austin Company of Texas: Dallas
The Austin Company of Canada, Ltd.

Memo to The Austin Company, Cleveland— We are interested in a _____ project containing _____ sq. ft. Send me a personal copy of

"The Austin Book of Buildings." Individual _____ Firm _____ City _____ NBC 6-29

When writing to THE AUSTIN COMPANY please mention Nation's Business

NATION'S BUSINESS



Published at Washington by the Chamber of Commerce of the United States

MERLE THORPE, Editor

A Clearing House of Experience

A reporter-at-large looks on at the Chamber's Annual Meeting

By JOHN W. LOVE

Industrial Editor, Cleveland Plain Dealer

HERACLITUS, the Greek philosopher, looked at the world and decided that its sole reality was change. Change was the only thing he could be sure of—there was no other actuality. The record does not show whether he belonged to the Greek Board of Trade, but if he had lived today, particularly if he had attended the Seventeenth Annual Meeting of the Chamber of Commerce of the United States, he would have been more than ever convinced that motion and flow alone are the basic truths of existence.

Our guest philosopher would have been informed in the first sentence of Julius H. Barnes' speech on the first day of the annual meeting that the drama of America was its kaleidoscopic change. The President of the Chamber two days later would have told him in the opening paragraph of his address that business men seek more than anything else to keep their enterprises abreast of the current. In the closing session he would have heard a great automobile engineer tell the modern business man that he must "budget for constant change and progress."

Indeed Heraclitus would have gone away from Washington suspecting that the weaving motion of things was somehow hypnotizing the very men whose



minds had been the most stolidly practical since the beginning of the world. He would probably have perceived that the growing complications of business life were placing talk again on its pedestal, and that those who had affected to despise talk and exalt action were now at last unable even to tell where the bases were, so misty had the field lately become. There was less confidence this time in team work in industry, more determination to get the facts.

The business realist today, President William Butterworth explained, is the

man who has stepped up his thinking to the pace of our economics of motion. In these latter days when all the statics have given way to dynamics a man must have the assistance of trade organizations. Those men and corporations who are not content to keep up the race, said Charles F. Kettering of General Motors, should step out of line and make good spectators.

This meeting of the National Chamber, had selected as its theme, "The Growing Responsibilities of Business." There was discussion, in the usual volume and weight, upon such problems as reduction of armament, the credit situation, agriculture, railroad rate making, the merchant marine, federal courts, federal and state taxation, the tariff, immigration, and

the like, but even in some of these matters it was evident the Chamber was not of one mind.

The meeting was really two things—a meeting for delivering the voice of organized business on matters touching all its members, and a society to canvass problems upon which individuals wanted the light of others' views. This second purpose was what sold the most railroad tickets.

Having attended but one meeting of the National Chamber previously, I was not prepared to find this meeting as

nearly of the type of the "discussion group," lately so popular in the Middle West.

Program Was Well Formed

THE 1929 program was ideally set up to promote discussion. The addresses at the general sessions touched the problems of immediate national and international moment. The round tables, of which six were in simultaneous session on each of two afternoons, were built around subjects which come closest to the daily life of business. They examined the business man's relation to his city, his state, his nation, to his chamber of commerce, his broker, his chain store and his parking space.

The problem governed this part of the program, not the office division of the Chamber's work. Lobby conversation took its cues from the program and there must have been some who made their expenses from lobby information alone. I predict that next year's meeting will bring an even greater member attendance.

Mr. Butterworth explained the basic purpose of discussion when he called the National Chamber a business democracy. To former Vice President Robert P. Lamont's committee was entrusted the task of giving the program this essential vitality, and he and his successor as committee chairman, Felix M. McWhirter, were responsible for making the program what it turned out to be, a clearing house of business experience and opinion.

Let us take up, one by one, the major subjects which this meeting took up.

Mass merchandising is the topic calculated to put three or four men on their feet at once. The Chamber had brought together department store owner, specialty shop owner, chain-store owner, and that newest breed of all, the leader of allied independents. Though these men to the number of 300 or more sat together for the whole of an afternoon, the hotel management never once called for police. John H. Fahey, the Worcester publisher, announced it was quite the largest group the National Chamber had ever assembled on the problems of retail selling.

In one electric moment the executive secretary of the chain-store association candidly admitted that the chain units "have not been fully aware of their opportunities for community service" and announced that the association was even now studying this great problem.

Nor is this the only complication ahead for the chains. Dr. L. D. H. Weld, the New York market expert, said the prob-

lem of advertising media is becoming more difficult for them all the time, now that some of them are big enough to go into national advertising. Talk veered to the selling of nationally advertised brands and the round-tables found that some chains are selling more and more of them, others less and less. One could take his choice, substantial names on either side.

Merchandising reached the main floor in the address of J. Frank Grimes, president of the Independent Grocers' Alliance, the largest of the new "voluntary" merchandising unions. Earlier in the week Fred P. Mann, the one who put Devil's Lake, N. Dak., on the business map, had declared that such methods held out the only hope for the independent. Grimes pointed out that if trade goes sour in the smaller places, the whole country will be sick. Like two or three other speakers he looked upon the merchant both as seller and consumer.

If the merchant is not to be regarded merely as a retailer of goods, but as a

to look at him exclusively from one side or the other led to all sorts of complications.

A Cincinnati questioner wanted to know where chambers of commerce were coming out in the pressure on the one hand for greater savings of labor in industry and on the other for continuous city growth.

A categorical answer to the question was seriously given, at the close of the convention, by Mr. Kettering. He said new machinery is creating more new positions than it abolishes.

In the industrial extension session to which I have alluded, I was interested in the statements of W. E. Wells, Homer Laughlin China Company, and A. V. Snell, of the Pittsburgh Chamber of Commerce, upon the increasing effort of some communities to hijack the industries of other communities.

It was generally admitted that the quality of labor is of the first importance in industrial survival, and that it is better not to acquire a new plant than to have it flop after it arrives.

Hardly less complicated were the questions in the field of transportation. Invariably the National Chamber discusses the movement of freight on water and land, and the item which comes up first on the program gets the bulk of the attention. Lapse of time and the turn of affairs had given new colors to the problems of the American marine. There were differences even toward the much maligned Seaman's Act. Such matters as aid to tramp steamers also brought division.



RESEARCH, invention and progress are bringing constant changes in the life and needs of this country and the world. With these changes come new problems that business must solve if it is to justify itself in its own eyes and those of the world.

At the Seventeenth Annual Meeting of the Chamber of Commerce, reported in this issue, business men pooled their experiences for the solution of these problems

Lively Rate Discussion

THE attitude of the membership toward the Hoch-Smith resolution and docket 4,000—that inquiry one of the commerce commissioners says could use 100 Solomons for 100 years—was influenced in considerable measure by the way the freight economy is mixed up with farm relief. The meeting voted in favor of giving thoughtful care to rates on agricultural products, but on the value of the famous Hoch-Smith declaration itself, it had to leave it with an alternative.

If Hoch-Smith is congressional rate making, the Chamber is against it, but if it's to remedy inequalities, the Chamber is for it, at least for finishing up the work started. Charles W. Lonsdale, the Kansas City grain man, submitted the report.

Apart from their relation to transportation the problems of agriculture emerged at least twice. Earl Elijah, Iowa's "master farmer," related to a sympathetic

(Continued on page 68)

buyer of automobiles and houses, education and community values, it was made equally clear, in another round table, that the factory workman is likewise a buyer of all these things. Man is both producer and consumer, both breadwinner and citizen, just as in medieval times he was regarded both as vassal of the king and servant of God. Attempts



UNDERWOOD
& UNDERWOOD

William Butterworth, unanimously chosen
to head the Chamber for a second year

Business Has Its Part in Progress

By William Butterworth

President, Chamber of Commerce of the United States

TRADITION is having a hard time. The fact that a thing always has been done in a particular way is no longer accepted as a compelling reason why it should continue to be done that way. The business man who was labeled a "theorist" a while ago when he suggested new business line-ups is today accepted as very much of a realist. Science and business teamed together are making commonplaces of the miraculous. The business man who would succeed today must step up his thinking and his enterprises to the requirements of these exacting times.

It is worth while, accordingly, to con-

IN EVERY community in this country, business men, without thought of selfish gain, have performed works of lasting value to the public.

Only those to whom Fortune has been generous can do these things alone but the chambers of commerce and trade associations afford all men an opportunity to contribute to the welfare and progress of the community by the pooling of ideas for the common good

sider the agencies which business men have created to enable them to assay, accept and discharge their expanding responsibilities to their respective fields of business and to the public, and to take

some account of the opportunities that lie before them to voice their collective aspirations.

Broadly considered, a dual allegiance levies claim upon the business man. There is the claim of his community, his city, his home and the home of his enterprises. There is the claim of his industry. The first is typified by the community organizations, the chamber of commerce; the second by the trade association.

Let us consider, first, the chamber of commerce as the center of business leadership for the proper identification, consideration and solution of community problems arising from and affecting busi-

ness activities. Through the chamber of commerce, business men may exercise their united powers and draw upon their collective resources of experience and judgment, in making their collective contributions to community welfare. With this opportunity is coming an increasing sense of responsibility on the part of business men to the entire community.

There are few, if any, communities in this country in which business men have not voluntarily come forward and performed works of signal and lasting value to the public without the slightest selfish thought of advantage to their own pocketbooks. These works take form as libraries, improved highways, parks, and other public recreational facilities, educational endowments, hospitals and the like. This is tangible evidence of the urge to contribute to the public welfare.

Not unto everyone, to be sure, is fortune so bountiful as to enable such material contributions, but the chamber of commerce affords to every business man ample opportunity to contribute to the progress and welfare of his community.

Adjusted to Conditions

OBVIOUSLY each such organization must have particular structural and functional features to meet the particular requirements of the community it serves. Yet there is a common denominator of type and of method and of technique. So, wherever located, the chamber of commerce should be essentially democratic in character, and representative of all the business elements and interests of the community so that it may become the voice of the business community and speak an accord of view and purpose in relation to means and measures to foster civic, commercial and industrial welfare.

It should, likewise, be alert to anticipate real opportunities for community development and advancement. It should ever be ready to inquire into all proposals for civic or business development, gather all pertinent facts, analyze conflicting viewpoints and arrive at definite courses of action in accordance with the broadest and most unselfish consideration of what is best for the community.

This calls for initiative. This demands leadership. This requires abundantly the contribution of that essential of successful business operation, the factor of co-ordination, so that all elements within the community may make their largest contribution to common purposes.

Experience has disclosed two particular reasons why the chamber of commerce is a uniquely practical agency for community development and for fostering public welfare.

The first is that the chamber of commerce brings into one representative organization all phases of the business and industry of the community, thus making it possible for business men to pool their

ideas and business technique for worthwhile objectives of common interest.

The other is that the chamber of commerce is part of the community life and takes into consideration the requirements of public welfare, such as education, recreation and conservation of health.

The chamber of commerce is thus the medium for bringing about community teamwork which identifies and seeks solution for those community problems and needs which cannot be neglected or ignored without serious prejudice to community welfare and to the progress and prosperity of its business and industry.

Recent testimony as to the value of business men's contributions to community development through chambers of commerce and as to the progress in chamber of commerce method and technique is that of former Secretary of Commerce Whiting, who said:

"Those who have followed the course of chamber of commerce work in recent years have noted the practical abandonment of the old-time 'boosting' methods—mere indiscriminate and extravagant laudation of a community, without the essential merit of definiteness. That mood and that practice are, at present unmistakably in the discard. To a steadily increasing degree, concrete practicality is the keynote now. With vigor and determination, chambers of commerce are devoting their attention to specific conditions that seem susceptible of beneficial change."

Coincident with this progress—but not of it—has sometimes come an element of dilution. This is manifest in the experience of those chambers of commerce which, while organized to serve impartially all phases of community needs, overdevelop some one activity to such a degree that they are, in fact, merchants' associations, or manufacturers' associations, or traffic bureaus, or industrial development associations, or community advertising or publicity and convention bureaus. While each of these activities has its place in the chamber of commerce scheme they are but segments of the all-inclusive circle of community interests.

It Must Be Representative

ENTHUSIASM for these specialized activities should not be permitted to dilute that widely representative character which is the very genius of the chamber of commerce as a center of business leadership and as a forum for the widest and freest and most democratic discussion of all phases of community interests and problems.

Let us now briefly consider the business man, and his responsibility to his industry, and the trade association as the agency which affords him opportunity most fully to discharge that responsibility.

The trade association offers an indus-

try the facilities for intelligent research as well as searching out the possibilities which science and invention may offer for the progress and profit of the individual units and the industry as a whole.

Valuable as is its service within the industry, the trade association serves equally valuably as the agency through which an industry may foster proper relations with other business and industrial groups and with the public. Such a relation must be based on mutual confidence. Without it the hopes of an industry for progress and profit are largely vain, and intelligent business leadership is more and more realizing that the way to win such confidence is to deserve it.

A Forum of Opinion

THUS the trade association becomes a forum in which the enlightened opinion of an industry may, in effect, legislate for self-regulation and self-government by establishing sound standards of practice and conduct for the component units of the industry. This unity of opinion is a potent sanction. In a democracy, either political or industrial, there can be no stronger.

Measurable progress is being made toward self-regulation. More and more are we coming to understand that in and of ourselves, as business men, and through our organizations we can outlaw those practices and those abuses which are an outgrowth of unsound competition. These abuses are destructive of the real uses of competition and of its public value as a means of assuring a free flow and exchange of goods.

The objectives thus briefly set forth are eminently worth while. Their achievement requires, first of all, a lively and continuing interest on the part of every individual representing every unit within the industry.

The value of individual participation cannot be too strongly emphasized. The public respect for our organizations of business men—our chambers of commerce and trade associations—rests upon the democracy of our methods.

Never should they become the methods of autocracy. The views of our business organizations wield their influence in shaping public policies intimately affecting both public and business, because they are the views not of the few, but of the many, projected upon the background of public interest.

Our organization objectives, moreover, should never be picayune inconsequential but always those dominant concerns that are to the fore in their effect on the welfare of our communities and our business and industrial enterprises. These concerns and these issues, in an intimate and far-reaching degree, affect the welfare of every citizen in the land. To chart a proper course for our business organizations is thus a challenge to the best efforts of every one of us.

Growing Responsibilities of Business

By Julius H. Barnes

Chairman of the Board, Chamber of Commerce of the United States



Julius H. Barnes

THE development of America has been dramatic indeed, both in the extent and the speed with which the changes have been wrought. A new country of vast natural resources, the potentiality of great wealth was open to those men able enough or strong enough to seize opportunities and translate them into individual gain. It was inevitable that in this development leadership should rest upon strong men, and that some men of strength should be also men of ruthless method. It is not fair to judge the pioneers of industry in the days of industry's frontier except by the conditions of that day. No other land can equal the swift magic which in America has lifted living standards to the admiration of the world. In that speedy conquest of Nature and its treasures it is well for America to remember charitably the strong men with standards of another day, or without standards at all, along with its greater admiration for the leaders who were strong but also were fair, and far-visioned—there were many such.

Seventeen years ago the Chamber of Commerce of the United States was called into being at the request of the President of the United States. Thus by official invitation from high authority was constructed an agency which should speak the reasoned convictions of American business, on national problems.

Looking back over the record of these 17 years one may reasonably claim that the Chamber has justified itself. It has kept step with the development of American industry. It has aided in constructing a public opinion influential against legislative and economic fallacies. It has set high standards for business conduct and has witnessed the advance of business

ethics towards these standards. In attempting to define the growing responsibilities of business, one is impressed with the complexity of the present social structure in which business must serve, and awed by the magnitude of its future. One is impressed with certain definite truths:

First—That American industry by its achievements at home has properly assumed a leadership in national and individual welfare.

Second—That the amazing growth in America of the reservoir of capital and the annual outpouring of trained youthful minds, will give to America leadership in world enterprise as well.

Third—That if America translates into the conduct of world enterprise, the ethics

and standards of American business today, it will more directly establish the welfare of uncounted millions than any crusade of history.

These responsibilities enlist the most devoted study. That we may appraise the background on which these forces must rest, and the field in which they must play their part, let us first survey the recent developments at home.

In the attempt to dramatize the progress of this American commonwealth, the mind falters before the broad sweep of actual achievement. The task is to state with simple truth the real marvel of its social and economic conquest and to

«THE problem of business leadership in the future will be altered by the progress we have made in the past.

«We must teach our youth that the stamp of leadership is no longer the dollar mark alone but rather the methods by which business eminence is attained and the spirit in which wealth and influence are used»

present the possibilities of a national and an international leadership in an unprecedented era.

The problems of modern industry are intricate indeed. Political government is clearly more interlaced with economic life than ever before. The living standards of the individual home rest directly on orderly employment and continuity

of industry as never before. Government and administration must touch these lives and this economic structure with sympathy and understanding. Business leadership which should influence the policies of government in behalf of the welfare of all its people must have public confidence, that clarity of vision which maintains healthful industry, and the courage to speak its convictions.

In this era of applied invention, of trained intelligence, of old industries expanded, checked or displaced, of whole new industries rising with the magician's wand of invention, the social habits, indeed the individual character of our people, are under the influence of new and vast forces.

They Spring up Magically

IN NEW industry, the ten-year old radio projects the day's magic of programs into the hitherto menacing silences of the Poles.

In industry claimed as both old and new—we have the automobile. The one million cars owned in America with the birth of this Chamber, have grown to 25 million.

In industry we have the almost daily commonplace of billion dollar corporations owned by hundreds of thousands of individual stockholders.

In production we have mass methods supplying a range of inexpensive goods beyond the imagination of yesterday, yet paralleled by the quality market which absorbs the \$300 basket of flowers and the \$500 bottle of perfume.

In mining, technique and daring now extract large profits from tonnage of such infinitesimal metal content as was disregarded by mining science of a recent past.

In banking, there has evolved the unit of two billions of resources under a single direction, assuring unlimited credit for vast enterprise, yet human enough to systematize small emergency loans on individual character.

In transportation, we have doubled in a decade the tonnage of railroad freight, and have paralleled our railways with a new army of truck drivers that almost equals the total of railway employees.

In airways, we have the 26-hour coast to coast air service, that makes every inland city a possible world port.

In communication, we have, during the life of this Chamber, increased our telephones from seven million to 19 million, and by the ocean radio have brought to every single instrument the access to 28 million receivers, out of the world's 33 million.

In education, we have lifted the country child from muddy road trudging to swift motor delivery at consolidated schools, for a grade of instruction impossible in the little red schoolhouse. Great universities, supported by a sense of stewardship of great wealth, enroll to-

day an army of well trained intelligence.

When one attempts to measure the full effects of this vast ferment one is most impressed by the truth that industry, operating primarily for profit, must nevertheless intertwine itself with social service.

Applied invention has so quickened the creation of national wealth that the annual income of our people has risen during the life of this Chamber from 32 billion dollars to 90 billion annually.

In this rapid creation of aggregate wealth and in the inevitable inequalities and confusion which must accompany its distribution even under the fairest influences, we must expect many puzzling problems. As individual savings have increased there has been an increased understanding of the possibilities of profitable investment.

In recent years, more millions of our people have found that investments in well managed American industries have made their dreams of fortune come true. The expanding roll of individual stockholders in great American industry shows this to be true. It emphasizes the responsibility resting on the management of great industries whose ownership is spread through many thousands of small investors.

A New Financial Position

IT IS also true that within the short life of this Chamber, America has changed its position from that of a great debtor nation to that of the great creditor nation. Within a few years, America has become possessed of two-thirds of the banking capital of the world. Since the basis of business enterprise is capital and management, there is a new significance in this dominant position as the capital reservoir of the world, emphasized by the army of trained minds that flow through our advanced institutions and technical schools.

Inevitably this means that the organization and development of business enterprise in every section of the world must come increasingly to America for capital and management. Increasingly, it means that our young people will be drawn into the management of industry in every corner of the world.

To those far outposts of new trade activity, with what standards and ethics of industry will these young people go? We know inevitably that they will transplant there the practices, standards and convictions they have been taught by industry at home. This again indicates the growing responsibility that rests upon American business of this day.

By favor of Nature, by a freedom from the handicap of custom or habit, and by the energy of its people stimulated by a political philosophy of equal opportunity, America has found the key to universal individual welfare. America has learned that national wealth is the aggregate of

individual possession and attainment and that the stimulated production of the individual inevitably builds higher the aggregate of national possession.

It is no accident that the relative national wealth, for example, of the United States as against Great Britain is almost the exact relationship of the relative per capita horsepower—four and one-half to one. It is no accident that the United States, leading all others in annual wealth creation, also stands at the head in equipping each worker with power and machines that enlarge his daily production.

The Future Is Limitless

THERE are vast populations to learn these truths, to learn that the needs and aspirations of mankind are limitless. The field that calls to American youth and American capital throughout the world is limitless.

From this presentation of the highlights of the possibilities of industry and business you may see the vast potentiality of the future and appreciate something of the extent of these growing responsibilities of business.

The problem of business leadership in the future will be altered by the progress of the past. In industrial relations the problem is today, not, as formerly, the basis of a fair wage on which the worker may exist, but the basis of a wage which will supply a saving and a spending margin, and fairly recognize each individual's contribution in relative production.

As production is thus stimulated and expanded, the social problem of the future will be perhaps the problem of leisure hours and the way they are to be employed and used.

All these problems will be solved without social injury if we establish standards inspiring the best qualities in all our people. It is the responsibility of business leadership to teach our youth that the stamp of leadership is no longer the dollar mark alone, but rather the methods by which business eminence is attained, and the spirit in which wealth and power and influence are used.

America must not become self-satisfied, complacent and flabby with content. We have an extraordinary national prosperity, the maintenance of which is a large responsibility of business leadership.

In the business method the impediments to national progress must be segregated into their specific problems, and the treatment of each defined.

Moreover, these problems cannot be solved in Washington alone, by either official or unofficial leadership. They must be studied by enlightened and unselfish local leadership. They must be crystallized into a great cross-section of American public opinion, made effective by its own logic and the righteousness of its cause.

These problems which press today for
(Continued on page 64)

The Widening View of Business

By JOHN H. FAHEY

Former President of the Chamber of Commerce of the United States

THE Chamber of Commerce of the United States has shown its interest in almost every subject under the sun, from agriculture to city planning. It has given its time and wisdom to the consideration of the outstanding questions which confront business in every direction.

Naturally it does not have to consider so seriously the businesses that are prospering. It is those departments of business which are lagging behind that call for the most careful study.

We all realize that agriculture is one of these and certainly the business men of the United States are demonstrating to the farmer that they realize that his problem is their problem, that agriculture and business are interrelated, and that the prosperity of one depends on the prosperity of the other.

In the same way I think we appreciate more clearly than ever that certain of our great industries dealing with natural resources, for example, oil and coal, are confronted by peculiar difficulties which challenge the attention not only of those engaged in those industries, but of every business man in the United States. Mr. Holmes, representing the oil industry, has presented a picture of a great, fundamental business which, as the result of overproduction, is today earning but a fractional part of the profits necessary to sustain it. He has told us something of the efforts being made to work out a scheme under which production can be kept within certain limits, to the vast advantage of the country as a whole.

Problems of Limitation

HE HAS assured us that an attempt to limit production will lead to exploitation of other businesses and the public at large; that if the oil industry were really given an opportunity, in cooperation with some government authority, to work out its problems, natural resources could be conserved, prices lowered, and a tremendous waste eliminated.

The consideration of any attempt to bring that about raises certain questions of control which confront business in every direction. Who is going to decide how far production may be limited, whose production is to be limited, and under what circumstances is it wise or safe to limit production? Indeed, is it necessary to limit production at all?

On the other hand, we have the as-

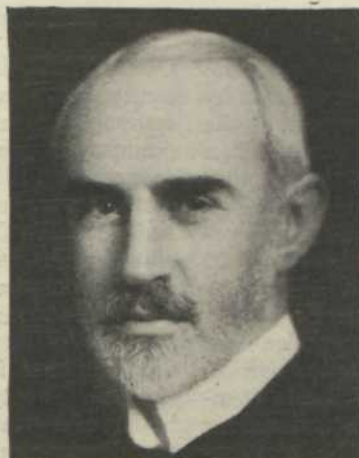
sertion, supported by authority, that if we go on exhausting our great oil resources at the present rate, we confront an almost certain condition of shortage within a dozen or 15 years, and we are obliged to recognize that oil represents a large part of the available power which is utilized in industry today.

With coal, we face something of the same kind of problem. We were told by an eminent authority representing the coal industry, that only the cream of the coal is being taken from our mines today, and less than half of the most efficient coal operating companies are making any profit whatever. There is no suggestion of a limitation of production or an apportionment of production. Yet there is, in any consideration of that problem, the same old question of how far the inefficients shall be protected by a price condition which, under other circumstances, would result in their elimination from business altogether.

Are we coming to a time when we must face the problem of coal supply from a little different angle? There, again, we are approaching the point where we must decide, if possible, just where to place the dividing line between free co-operation of business groups in the attempt to solve their problems, and the arbitration of some authority representing the public as a whole.

In considering natural resources, we touched briefly on another great problem, where we face the same fundamental question of control—that of utilities. I think as business men we are slowly realizing that there is in this field one of the great national questions which, in a few years, will be challenging the thought of business leaders, economists and statesmen in every corner of the country.

The problem of distribution is another in which business must take a growing interest. When we talk about agriculture today, we speak of marketing. When we talk about the further development of sales, so far as the manufacturer is con-



©HARRIS & EWING

John H. Fahey

cerned, we think of market analysis and research. Every time we discuss modern distribution, we begin to talk of the chain store and the independent. The net result was a general recognition that the present wastes in distribution must be eliminated, that modern retailing must cut down the present waste; that the chain store has made a great contribution to modern merchandising, and that, instead of eliminating the in-

dependent, it was merely giving him inspiration.

It was agreed also that the chain stores were encountering some troubles of their own, that they have made and are making their share of mistakes; that they are learning from these errors; that they recognize their responsibility in the communities in which they operate their stores as perhaps they have failed to do in the past.

Of course in any discussion of business the tariff problem must come up, at least incidentally.

Willis C. Hawley, chairman of the Ways and Means Committee, has explained the work of that particular committee of our Congress showing it to be engaged in a tremendous task which it is discharging with a care and thought which certainly commands the respect and confidence of business.

Perhaps some of us who have been familiar with tariff making for perhaps half a century, may have felt that the processes of the committee were unduly complicated, and that it is much easier to write tariff schedules in the old way. On the other hand, I am sure that the members of this Chamber are still firm in the conviction they expressed so many years ago, that scientific tariff making based on the careful work of fact-finding authority is the only basis on which the prosperity of the business of the United States can depend safely.

Probably we will all agree that the problems in the field of finance as a whole are, in some respects, more baffling and more complicated than any that we have

previously faced, but I believe we all have confidence that under the guidance of our Federal Reserve Board and our conscientious, farseeing bankers, the difficulties of the present situation will be met in good time.

The question, "How far may business go in solving its problems by cooperative action within its own ranks, and at what point should government intervene as umpire?" is one that recurs frequently in any business discussion.

The progress made in the last ten or a dozen years in the work of the Federal Trade Commission has been outlined by Christie Benet, general counsel of the Cottonseed Crushers' Association. Mr. Benet directed attention to the fact that in the last six or eight years the Federal Trade Commission cooperating with various business groups, has held some 50 Trade Practice Conferences.

In discussing this particular subject former members of the Commission have taken opposite views as to how far the Government, through the Trade Commission, should proceed in undertaking to outline what the rules of business conduct should be. One felt that the Government should go further than it had gone; the other, that the Government should intervene to a lesser degree than in the past. Obviously we face a question calling for more thorough study, more careful consideration, as to how far various producers and distributors may

undertake to eliminate unfair practice, unfair competition, limitation of production, and similar problems without government intervention.

The plain question we face is, "if we are to carry forward constantly these agreements among ourselves for the elimination of evils, at what point shall the representatives of the public sit with us and say what we shall or shall not do?"

Business Tackles Its Problems

OF COURSE, there are many who, when confronted with the results of unfair competition, unfair trade practices, promptly suggest that there is no cure except resort to law. Yet the experience of the past ten years' cooperation with the Federal Trade Commission clearly demonstrates that business itself will develop sounder practices.

It seems to me that business shows its progress by its willingness to take up problems that formerly it would have shunned. Twenty-five years ago, if the leaders of a great industry had suggested that development of a pension system for employes was one of the first responsibilities of a business, he would have been called a radical and a visionary. Yet today we willingly consider the advantages a pension system brings not only to the industry itself and to the employes, but to society as a whole.

An intelligent consideration of indus-

try's responsibility in the problem of unemployment is another example of the same kind of enlightened appreciation of the thorough-going responsibilities of business which I think would have received comparatively little attention a couple of decades back.

Although we talked of some of these things in an idealistic sort of way, I doubt if 20 years ago the suggestion that the business men of the United States should give interested concern to schemes for expanding the span of life, and improving the health of all the people, would have commanded the keen attention they receive today.

We talk of the "Growing Responsibilities of Business." What are those growing responsibilities? Certainly, the slogan of the Chamber of Commerce of the United States, adopted a dozen years ago, is not an empty phrase, but an expression of the fundamental responsibility of American business; those things for which we strive cannot be in our own interests alone. They represent service. We have no right on behalf of ourselves to demand anything that is not in the broad public interest.

That slogan "If it is not in the interest of the public, it is not in the interest of business" represents the thoughts of the enlightened business men of the United States, and summarizes our appreciation and interpretation of the "Growing Responsibilities of Business."

OFFICERS AND DIRECTORS

CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA

1929-1930

President: WILLIAM BUTTERWORTH, Chairman of the Board, Deere & Company, Moline, Ill.

Chairman of the Board: JULIUS H. BARNES, President, Barnes-Ames Company, New York.

Vice Presidents:

A. J. BROUSSEAU, President, Mack Truck, Inc., New York.

*W. RUFUS ABBOTT, President, Illinois Bell Telephone Company, Chicago.

CHARLES W. LONSDALE, President, Simonds-Shields-Lonsdale Grain Co., Kansas City, Mo.

ROBERT R. ELLIS, Chairman of the Board, Van Fleet-Ellis Corporation, Memphis, Tenn.

PAUL SHOUR, President, Southern Pacific Co., San Francisco, Calif.

Senior Council:

HOMER L. FERGUSON, President, Newport News Shipbuilding and Dry Dock Company, Newport News, Va.

JULIUS H. BARNES, President, Barnes-Ames Company, New York.

RICHARD F. GRANT, President, Lehigh Valley Coal Corporation, New York.

JOHN W. O'LEARY, President, Chicago Trust Company, Chicago.

LEWIS E. PIERSON, Chairman of Board, Irving Trust Company, New York.

Treasurer: JOHN JOY EASON, Chairman of the Board, Washington Loan and Trust Company.

Chairman of Executive Committee: WILLIAM BUTTERWORTH, Chairman of the Board, Deere & Co., Moline, Ill.

Secretary: D. A. SKINNER, Washington.

Directors:

WALLACE M. ALEXANDER, President, Alexander & Baldwin, Ltd., San Francisco, Calif.

*HARRY A. BLACK, President, Black Hardware Company, Galveston, Texas.

WILLIAM BLACK, President, B. F. Avery & Sons, Inc., Louisville, Ky.

J. PERRY BURRUS, President, Burrus Mill & Elevator Co., Dallas, Texas.

*JOHN H. CAMLIN, J. H. Camlin Company, Rockford, Illinois.

WILLIAM CANDLEE, Vice President, Atlanta-Biltmore Hotel Co., Atlanta, Ga.

WALTER L. CHERRY, President, Cherry-Burrell Corp., Cedar Rapids, Iowa.

WALTON L. CRACKER, President, John Hancock Mutual Life Insurance Company, Boston, Mass.

*E. ASHLEY DAVIS, President, Neudecker Tobacco Co., Baltimore, Md.

KARL DELATTRE, President, Bovey-Delattre Lumber Co., Minneapolis, Minn.

*LAMMOT DU PONT, President, E. I. du Pont de Nemours & Co., Wilmington, Del.

P. W. A. FITZSIMMONS, President, Michigan Mutual Liability Company, Detroit, Mich.

*H. M. GILBERT, President, Richey & Gilbert Company, Yakima, Wash.

EVERETT G. GRIGGS, President, St. Paul & Tacoma Lumber Co., Tacoma, Wash.

FREDERICK J. HAYNES, President, Durant Motors, Inc., Detroit, Mich.

*GEORGE W. HOLMES, President, First National Bank, Lincoln, Nebr.

*LEONARD S. HORN, President, Niles-Bement-Pond Company, New Haven, Conn.

W. M. G. HOWSE, President, The Johnston & Larimer Dry Goods Company, Wichita, Kans.

*FRANCIS E. KAMPER, C. J. Kamper Grocery Company, Atlanta, Ga.

*P. W. LITCHFIELD, President, Goodyear Tire & Rubber Company, Akron, Ohio.

JOHN G. LONSDALE, President, The National Bank of Commerce, St. Louis, Mo.

*C. A. LUDLUM, Vice President, The Home Insurance Company, New York, N. Y.

FELIX M. McWHIRTER, President, The Peoples State Bank, Indianapolis, Ind.

EDWARD P. PECK, Vice President, Omaha Elevator Company, Omaha, Nebraska.

A. W. ROBERTSON, Chairman of Board, Westinghouse Electric and Manufacturing Co., East Pittsburgh, Pa.

FRED W. SARGENT, President, Chicago and North Western Railway, Chicago, Ill.

HENRY D. SHARPE, President, Brown & Sharpe Manufacturing Company, Providence, R. I.

FRANK L. SHULL, President, Portland Chamber of Commerce, Portland, Oregon.

MATTHEW S. SLOAN, President, New York Edison Company, New York, N. Y.

ERNEST T. TRIGG, President, John Lucas & Company, Phila., Pa.

W. H. WATTS, President, Utah Construction Company, Ogden, Utah.

OSCAR WELLS, President, First National Bank, Birmingham, Ala.

WM. M. WILEY, Vice President, Boone County Coal Corp., Sharples, W. Va.

*Newly elected.

Business and the Farmer

By EARL ELIJAH

Master Farmer, Clarence, Iowa

BUSINESS and agriculture are closely related. More than 50 per cent of all the raw materials of industry come directly from agriculture. The manufacturer regards the farmer as one of his best customers. No great business depression is without its serious effect on agriculture. Conversely, agriculture cannot suffer long without exerting a weakening effect on business.

This nation was primarily agricultural. At first the bulk of our wealth was the richness of our soil. Today less than one third of our people live on farms. Business and industry have been fostered, protected and built up, sometimes at the expense of agriculture. It is high time that their mutual relations and responsibilities are better understood.

The farmer, who a hundred years ago was almost sufficient unto himself, is now a world citizen. He demands an American standard of living, with all its complexities. He has sacrificed some of his independence. He knows that he cannot live alone. Agriculture, properly handled, is a business. It is an industry. The farmer produces that which he may exchange for what someone else produces. Farming, however, must not be considered as an industry only. It is also a life. A farmer is more than a standardized machine. He is a human being and is entitled to live as such. Agriculture must be humanized.

President Hoover endorsed this attitude last Fall in his acceptance speech, when he mentioned the individual farm-home as the fundamental unit of American agriculture and pledged his best effort that the beneficent influence of that home might continue.

I am beholden to no agricultural organization and have no political axes to grind. I am an ordinary dirt farmer. I am not a doctor for agricultural ills, but a patient. It is not my purpose to prescribe remedies, but to tell symptoms.

Agricultural conditions have improved; but when 30 per cent of our people, heavily capitalized, get only ten per cent of

our national income, as the farmers do, then something is radically wrong. Last year, 900 representative industries, capitalized at more than 23 billion dollars, earned a net income of well over two billion dollars or 12.1-10 per cent of all money invested. Any farmer who cleared as much as seven per cent on his investment had to tell how he did it before we would believe him.

One of the laws of industry is that the less efficient producer shall be pushed out of the way to make room for the more efficient. In the recent agricultural depression, however, it has not always been the least efficient who has suffered most. The farmers who were hardest hit and brought the most banks down with them were the young men of ambition. They were men who had made good money

as tenants. They were progressive in their methods. They looked hopefully toward the future. They saw land prices mounting higher and higher and feared lest they might never be able to own homes of their own. They sought advice of those whose advice formerly had proved sound. No one had ever heard of an Iowa farm selling for less than it had cost. And so they bought homes although their own best judgments revolted at going so deeply into debt. Farmers of more mature years, having farms free from debt, mortgaged those farms that they might assist a son or daughter in buying the neighbor's farm.

The prices paid at that time were fully justified by the prices received for agricultural products. Prices of farm lands were no higher in proportion to earnings than are today's prices of stocks in proportion to industrial earnings.

But those prices of farm produce were not to endure. The manufacturing companies abroad which had bought and processed our raw materials had been hard hit by the War. They recovered more slowly than did foreign agriculture; and so our export markets, for which a large surplus had been produced at high costs, were practically eliminated. Prices fell. Notes came due and had to be paid.

Many a home went under the sheriff's hammer. Mortgages could be immediately satisfied in no other way. Many farms failed to bring the amount of the first mortgage. Moneyed men put their assets into bonds or other securities that could be readily disposed of.

The whole affair was one vast tragedy from which agriculture has not yet recovered. The less efficient farmer who had made but little lost but little, even though he lost all. The better type of man who had invested the earnings of the best years of his life was the one hardest hit.

The Farms Lost Men, Too

MANY of these men who have perished in the storm under ordinary conditions would have survived. They were men who used the most approved methods of production and were interested in building up a permanent agriculture. The loss of this kind of men to agriculture can in no way be justified as an economic gain. A vital policy toward agriculture should rise from the ruins of their dead dreams.

There are many factors to consider when we study the farmers' problems. Among them are instability of prices, a credit system unsuited to agriculture, and high costs of production and marketing, together with burdensome taxes.

Let us consider the much-discussed subject of stabilized markets. I do not mean a price fixed high enough so that the inefficient may remain on the farm and make a profit. Any such price-fixing scheme would defeat its own purpose by causing serious overproduction. If prices were to be fixed at all I would want them fixed low enough to keep out the marginal producer. I have no faith in any scheme of fixing the definite price of any farm product. What I do feel we need is some assurance that prices will not jump from cellar to garret and back again within one production cycle.

Sometimes we load our live stock onto the cars and reasonably expect a certain price. Overnight the market drops 50 cents per hundredweight and the profit of a full year's production has been lost or seriously reduced. A long continued downward swing of prices ultimately results in decreased production and a jump back up to higher prices. Thus the pendulum swings back and forth. Consumption is hampered and production knows not where it stands.

A small margin of profit for the farmer,



Earl Elijah

received continuously, would be a benefit to all concerned. To that small margin, I maintain, the efficient producer is entitled.

"But," the business man says, "business is also subject to price fluctuations." True enough, but business and industry are sufficiently organized to cope much more effectively with this bugbear. If no definite price agreements exist, then very effective understandings are in operation.

Too Much for Coincidence

A SHORT time ago I was in the market for a few tons of 20 per cent acid phosphate fertilizer. There were three dealers in our town, each of whom handled a different brand of phosphate. The first one told me the regular retail price was \$31.65 per ton. The second one said he was supposed to get \$31.65 per ton. The third one quoted it to me at \$31.65 per ton. It would be hard to make me believe that all three of these manufacturers had arrived at just the same nickel to ask for their product without first getting their heads together. If I want a sack of cement I can call for Alpha, Gamma or Omega and it all comes at the same price. If I drive up to any one of a half-dozen different gasoline filling stations, each handling a different company's products, I know that it will take just the same number of pennies to fill my tank there as it would at any of the other five.

Agriculture has so many manufacturing units that it would be almost impossible for all her managers to agree on either production or price. If it were possible, even then we could not control production. Weather conditions are beyond man's control and frequently cause a variation in yield per acre of as much as 40 per cent. The quality may be influenced fully as much as the quantity. A certain number of sows farrowing in the Spring does not insure a definite number of 200-pound shoats for market the next Fall and Winter.

If farmers were universally agreed and knew ahead of time the amount and kind of each commodity required by the consumer, even yet the much quoted "inexorable law of supply and demand" could not be trusted to make stable markets. Ninety per cent of a normal crop frequently brings 150 per cent of the average number of dollars; whereas 110 per cent of a normal crop results in about 60 per cent of the normal number of total dollars received. Production factors, beyond the control of man, demand that if markets are to run on an even keel then something must take up the slack. What that something should be I shall not attempt to say. Business men with a sympathetic and understanding attitude toward agriculture and skilled in handling huge economic problems are equipped best of all to offer the solution. It is their opportunity, if not their responsibility.

Until we have a reasonable degree of

stability in the farmer's income no ample credit system can be worked out for him. And credit is one of the big agricultural problems. I don't mean more credit but a better system of credit.

Industry borrows money on the profits it is able to earn. Agriculture borrows money on the amount of capital invested. The Federal Land Banks recognize that a farm mortgage should be a long-time affair and so have amortized loans extending over a period of 36 years. We who borrow money through them do not worry about what credit conditions will be when the mortgage comes due. It never comes due. The thing that causes us worry is the short-time notes given for money borrowed for operating capital.

The agricultural cycle is too long for the credit that is available to the farmer. What agricultural operation can be completed before sixty-day paper comes due? Hogs produce more rapidly than most other farm animals and yet the time required from the buying of the open brood sow until her produce is on the market is usually well over a year. Other farm practices of good standing have turn-overs of only once in three or four years. So long as farmers must be financed by banks whose deposits are payable on demand of the depositor the banker can do nothing else but demand short-time notes. The notes come due. Tight money appears. The farmer is forced to sell his live stock on a glutted market or in a half-finished condition. Many a farmer has been forced to the wall who fundamentally was a good risk and would have paid out 100 cents on the dollar had he been given time.

Our small country banks were originally organized to assist the financing of the affairs of the community. Now the banking experts tell our small banker that not more than half of his assets should be loaned locally. Our own little bank, for the sake of safe banking, has been forced to invest heavily in bonds, many of them secured in the East. The average return on the bonds is a little over five per cent. For the bank to make any profit our own local people must be charged seven per cent on money they borrow. To keep the bank's assets liquid, only short-time paper is given.

Agriculture Needs Credit

I'M NOT blaming the small banker for this practice nor the bank examiner for insisting on it. I merely wish to point out that the credit facilities at our command, although possibly adequate for industry where the turnover is frequent, are utterly inadequate for agriculture.

How is industry financed? Industry sells bonds which correspond roughly to the first mortgages on our land. Then industry sells stock for the major part of its operating capital. We farmers borrow the money wherever we can for our op-

erating capital. If industry makes a profit the stockholders are paid a nice dividend. If we make a profit we pay our interest. If industry has a bad year nice letters are sent out to the stockholders, explaining why there is no profit and how conditions have changed so that a handsome profit is assured next year. If we have a crop failure or a serious loss of some kind, what do we do? We pay the interest, but how? If we still have plenty of collateral we can borrow the money and hope to make it back next year. If we are short on collateral then we must sacrifice on something.

I don't know how this credit proposition should be solved; but short-time credit on long-time operations plainly is not satisfactory. The periodic uncertainties of agriculture, although agriculture may be fundamentally sound, render short-time loans completely inadequate. Here again we have a problem too large for any individual farmer or small group of farmers to solve. Men of large financial vision have here a problem which may well challenge their best thought.

Another factor puzzling the farmer is high production costs. Wages are high; due in part to restricted immigration. And yet farm labor is underpaid when the wages of a similar class of labor in industry is considered.

Tariff Hurts the Farmer

MOST of our products are sold in the world markets, while most things that we buy are sold in a market effectively protected by the tariff. What we export must be paid for by imports brought in over the tariff wall which is a barrier amounting to approximately \$600,000,000 per year. Although our pork production efficiency per hog has increased 15 per cent during the last ten years, our foreign market is slipping away from us. Our fixed factors in production costs do not allow us to compete with the cheap lands and labor of other countries.

I would not enter into a discussion of the merits of protection of either labor or industry. A protective policy may be for the best interests of the nation as a whole. I wish merely to call your attention to the injustice which the farmer suffers.

In Iowa, as well as in many other states, taxes weigh heavily upon the farmer. Agricultural property is hard to hide and so must suffer. Around \$2 per acre is perhaps the average tax on our better agricultural lands. And yet, in deference to industry and business, our last two sessions of state legislature have turned down a state income tax law.

Transportation costs merit study and reorganization. I somehow can't get very enthusiastic over improved waterways so long as our present transportation systems must be supported.

Improvements in marketing machinery
(Continued on page 57)

Our Stake in the Pacific

By CHESTER H. ROWELL

Publicist and Writer

LOOK with me from my home in the Berkeley Hills of California out through the Golden Gate, which marks our last frontier. That view is something more than one of the finest beauty spots in the world. It is one of its supreme symbols. Nowhere else, unless it be that other historic gateway, where "the mountains look on Marathon and Marathon looks on the sea," is there a place so significant as a milepost of mankind. As Marathon embodies the past, so does the Gate envisage the future. One marks the beginning of the independence of Europe, the other the end of the isolation of America and of the separation of the two halves of humanity. Between them, they enclose a civilization and an era.

Before us, looking both ways from the Golden Gate, lies all the future. Facing eastward on the western sea dwells half the human race. Until now it has been to us a world apart. Henceforward it is to be the other half of our world and a participant in our life. This is the great fact which distinguishes our generation and its successors from all that went before. In the past there were two worlds. In the future, there will be one.

That other world has had its movements too, only we chose to ignore them. It peopled great lands and established in them civilizations more stable than our own. In it were founded all the world religions, including ours. Confucius taught a hundred generations of his people to value righteousness and wisdom above material gain. Learning and culture, art and literature, and the institutions of civilization flourished. And we, for the most part, knew them not.

Where West Meets East

NOW these two worlds come together. The ocean barrier has become a bridge. And have no illusion. These worlds cannot long meet on any other basis than that of equality. For the moment, in the things of the moment, they are unequal. The West has power, wealth, organization, science, machinery and highly organized government. Only Japan has these things in the East, and it learned most of them from us. If this is the measure, we are now the superior. But obviously it is not the whole measure. And even if it were, our superiority, by it, is very recent, and has covered a very small part of both our histories. When Marco Polo traveled in China he met

there a civilization more advanced even in material things and in governmental power than any he could then have found in Europe. The same would have been true of any traveler, at almost any other time in the long history of both peoples, with only two exceptions. One of these was the period of Roman civilization. The other is the brief period in which we now live. Even the Romans depended on the Orient for luxuries finer than any they were civilized enough to produce. So did we, within the memory of men now living, and do still for our finest fabrics and rugs. The Orient gave us silks, carpets, draperies, perfumes, spices, luxurious baths, porcelain, gunpowder, paper, printing, religion, arithmetic. After the Crusaders went to the East they came back and, with what they had learned, they rescued Europe from barbarism. So, except for these two brief periods, the Orient was ahead of us by even our standard of measurement. It has always been ahead of us in continuity and stability. It has remained civilized during the periods when we broke up into anarchy. And it is debatable whether it has ever been behind us in the finer aspects of personal culture, even at the times when we were ahead of it in material things.

One of the most curious illustrations of our penchant for judging other peoples by whatever we have most recently acquired ourselves is the American mania for measuring civilization by plumbing. We forget how recent this standard is, even for us. When Commodore Perry "opened up" Japan to what we called "outside civilization" the first bath tub had been introduced in our White House two years before. Perry opened to our "civilization" a nation whose people had been accustomed to a daily bath for a thousand years.

The baths of Akbar and Shah Jehan in India, which to this day are the most luxurious in the world, were built about the time the first log cabins were erected at Plymouth Rock. The British learned in India the custom of the daily bath,

and brought it back to England. We learned it from them, so recently that most of us here can remember its beginnings. Then, having no servants to fetch our baths, and being lazy, we invented modern plumbing. And, having got that almost yesterday, we look down today on peoples whose desire for cleanliness is great enough for them to be willing

to go to a little trouble for it, without waiting for modern plumbing.

However, which—ever was superior—and we have alternated in that—their separateness is now ended. Whatever our relations in the future—whether of understanding or of distrust, of cooperation or hostility, of profit or loss—they will at least be relations, and not disrelations. On some terms we must and will deal with each other. We can no longer treat each other as nonexistent.

The Pacific was once a barrier. Now it is a bridge. We have bridged it materially, and we have the problem of bridging it spiritually.

The ancient world looked inward, like a Greek house, on the Mediterranean. The modern world looks outward, like a British or American house, on the Atlantic. The new world faces both ways, on the Pacific.

The contacts, bringing us physically together, necessarily present those problems which go with closeness. And the first of these is not trade or politics, or even peace or war. It is understanding.

May I suggest that we begin that understanding with the small things of life? For a long time European and American business men in the Far East, British civil servants in India, and Americans in the Philippines have thought it necessary to maintain their prestige or "face" by an attitude of personal and racial superiority. There may have been some excuse for it in the past, and we can doubtless "get by" with it for a limited time in the future.

But we no longer do it in Japan—for the obvious reason that the Japanese will not tolerate it. We cannot permanently do it anywhere. If we persist in it, the



HARRIS & EWING

Chester H. Rowell

price will be that by the time Oriental business becomes stupendously worth while, as it is bound to do within this generation, we shall not be the ones to get it.

We treat Japanese, in Japan, with respect, but not because we appreciate the beauty of their art and the fineness of their civilization, their great history, their high spirit, and all of the things which make them so admirable a race. The Chinese have these things, too, and yet they do not, by them, earn from us the same treatment. We treat the Japanese with respect because they have a strong government, a great army and navy, and the mailed fist to make us do it.

We treated the Turk also with scorn and contempt until recently, though the racial difference is slight. Now we have suddenly stopped doing it. There is the same explanation. The Turk has developed an army and a government, and has defeated peoples of our race in battle.

The Oriental peoples notice this and thus they reason, "We do not ourselves regard a strong government as very important, nor war and armies as respectable at all. We do not admire these things. But apparently the white man does. If he understands nothing but force, then by force we must deal with him."

Now, there is only one way to acquire this racial respect, which is the foundation of all the other decencies in our relations to these peoples of the Pacific, and that is to know them. This does not mean to live among them, merely. There are those who have done that for half a lifetime and are still uncomprehending strangers. It means to penetrate into the spirit and meaning of their lives, to make friends of them individually, and to understand the meaning and the history of their institutions collectively. There ought to be more study of Oriental history, geography and languages in our schools and colleges. There ought to be more travel across the Pacific. And there ought to be more appreciation of the problems of the Pacific and of their relations to us.

Gathered for Frank Discussion

REALIZING this, a few years ago, a number of interested men in many countries organized the Institute of Pacific Relations, which holds its third annual conference in Kyoto, Japan, this Fall. There will gather unofficial but representative groups from all the peoples bordering the Pacific or exercising sovereignty in it—China; Japan, with Korea; America, with Hawaii and the Philippines; Canada; Australia; New Zealand; Soviet Russia; Britain; probably France and Holland, and possibly Mexico. The American group will number only 40 members, but we hope to include in these some of the leading men of the business community.

There, as in the two previous meetings at Honolulu, unhampered by the responsibility of representing governments or by the necessity of making decisions, in

an atmosphere of free discussion, the attitudes of the various peoples will find expression through some of their most competent men and women, to the end that facts may be verified and understanding reached.

We have tried out that technique on equally delicate questions, before, and we know it succeeds. Four years ago it was the American exclusion law, then just passed, over which the Japanese were acutely sensitive. So we put into the same room one of the authors of that exclusion law and some of its chief Japanese critics. Hard-boiled exclusionists from California, apologetic idealists from Boston, conservatives and liberals, politicians and philosophers from Japan, experts from Canada and Australia, all talked it out. And in the end they did not agree. But they did understand. And out of that understanding, I think, has come in large measure the more patient attitude in Japan and the more generous attitude in America ever since.

They Oil the Tight Joints

THIS time it will be Manchuria, the most dangerous question in the world, discussed at the very focus of that danger. The Japanese, who have invited that discussion, are not afraid of it. And the Chinese will not be timid nor the Russians shrinking. But they will all be what official diplomats dare not be, frank and outspoken. By the time they finish with that unofficial discussion the question may be clarified and the pressure relieved to the point that the officials can tackle it with hope of success.

This is but one of the many problems which we will attack in the weeks of discussion, after two years of preparatory work by the expert secretarial and research staff and the national groups in the various countries.

These problems are vastly important, for the next few years may determine the center of gravity of the world. There are three great continental empires in the world—Russia, China and America—and one great maritime realm, the British Commonwealth of Nations. There will never be a fifth. The map of the world shows there would be no place to put it.

Of the three continental domains, America is the culmination of one system of life and Russia claims to be the advance guard of another. Between them is China, with a fourth of the human race breaking from its immemorial past and choosing its future. These two civilizations are competing for China. Sometimes they seem to be on the verge even of fighting for it. The outcome may change the center of gravity of the world. The question of which way China goes may be the determinative factor in the America of our children.

Asia is in flux. Before it lie the problems which we of Europe and America have mostly behind us. There is inde-

pendence to be gained—independence of us. There are nations to weld, frontiers to draw, conflicting interests to adjust, great territories to open, resources to develop, and a total transformation to make in the work, business and life of the people.

These are problems which, when they were ours, we settled by war. Unless the Orient shall better our example, it will settle them the same way.

These are problems, it may seem, of politics rather than of business. But business depends on politics. Unless the great business opportunities which open across the Pacific are freed of the menace of war, there is nowhere else that business can find the field for expansion in the coming generation which it has found in the industrialization of Europe and the development of America in the generations just behind us. Our business system is geared not to a fixed, but to an expanding world. There is still room in the parts of the world with which we have dealt, but not room for any such explosive expansion as that through which we and our fathers have gone. We must either slow up or find new fields. And the only field with potentialities big enough for us is in the opening world across the Pacific—provided politics and war do not interfere.

Enlightened Selfishness

SO OUR stake in the Pacific is in the whole of it—in its peace and progress as well as in its markets; in what it can do for itself as well as what we can get out of it. Business is rightly self-seeking but far-sighted business is learning that, measured even by selfish advantage, a large and liberal policy pays. There is little to be gained in merely opening the markets of the Orient as it is.

There, in the Orient, is our opportunity and our risk. There our trade will grow and our investments increase. There many of our sons will make their homes, guiding the expanding industries of a new-old world. There the other half of the human race is to learn from us the lessons we have learned, of science, of machinery, of industry and commerce, and of political and business organization.

There perhaps, if we are wise, we shall learn of them the equally needed lesson that man is the measure of things, and not things of man. We measure a man's "worth" by his possessions or the market price of his services—by money and goods. They measure the value of things by their service to life. If the machine is to be our servant and not our master, if business is to serve us and not we it, if we are not to be overrun by the juggernaut we have built, perhaps we have as much to learn as to teach.

At least we may realize that we have entered on the Pacific age. Our face is westward, and our stake in the Pacific is our part in the whole future of the two halves of mankind.

Our Mutual Business Problems

By C. H. CAHAN

Member of Parliament, Dominion of Canada

It has been my personal privilege to witness the development of the Dominion of Canada since its original provinces were formed into a federal union 62 years ago. During those years, while devoting our best energies to the development of our country, it has been our constant desire to live in peace and harmony with the people of the United States and to obtain amicable solutions of the problems which inevitably arise between two neighbors.

Canada is now the largest foreign customer of the United States. During 1928, we purchased \$826,000,000 in value of commodities which the United States produced. In fact, during the last calendar year 67 per cent of all our importations for consumption in Canada were purchased in the United States.

But while we purchased from the United States commodities of the value of \$826,000,000, the United States in return only purchased from Canada to the value of \$493,000,000. Thus to meet our accruing liabilities for purchases from the United States, we were compelled to seek markets for our surplus products in other countries in order to procure from our sales abroad bills of exchange to the amount of \$333,000,000. This was needed to pay for our annual excess purchases from United States manufacturers and other producers of all classes.

Tariff Has Two Sides

THE Fordney-McCumber tariff was a severe blow to many of our producers, who had previously found in the United States limited markets for their products; but we have now, in a large measure, compensated for our trade losses by procuring market openings for our products in other countries. As we acknowledge your undoubted right to adopt all measures, fiscal or otherwise, which the United States deems expedient to promote her industrial development, we feel assured that the United States will entertain no feelings of resentment against our country, when we, from time to time, adopt appropriate measures to adjust our economic life to meet the new conditions which the tariff adjustments of other countries impose upon us.

It is my personal opinion that we Canadians, having primarily in view the industrial development of our own country, should seek to insure increased production

in Canada of those commodities which we now import. I refer to such commodities as iron and steel, woolen and cotton cloths, clothing, hardware, machinery, and utensils, to the extent, at least, of our ever increasing domestic demand for such commodities.

The maintenance of cordial relations between our countries is of prime importance to the business men of both. We have been politically separated for more than a century and a half. We have doubtless developed different mentalities, differing traditions, customs and manners. The City of Montreal, of which I am one of the representatives in the Canadian House of Commons, is, next to Paris, the largest French-speaking city of the world. I trust, however, that our moral standards are not very divergent.

In this connection may I allude frankly to the suggestion appearing from time to time in the American press that upon Canada rests the moral duty and obligation to assist in enforcing the provisions of the Eighteenth Amendment. Yet in times past, when certain of our Canadian provinces prohibited the sale of intoxicants, it never occurred to the Canadian Government to request the United States Government to prohibit the sale and exportation to Canada of whisky distilled in the United States.

Although we may recognize no moral or legal liability for enforcement of the United States' sumptuary laws, yet I am personally of the opinion that no Canadian Government could be confident of popular favor which should encourage the commission of offences against your laws.

The United States is now probably the most potent single political power of the world; therefore her weaker neighbors, such as ourselves, naturally observe with interest, and sometimes with concern, not only the manner but the spirit in which she exercises the vast political forces which are at her command.

For example, we, as one of the British Dominions, are a party to the convention made at Washington in January, 1924.



C. H. Cahan

We gave our adherence to this convention solely for the purpose of facilitating the administration of American tariff and sumptuary laws.

Under Article One of that convention, the United States solemnly declared its intention to uphold the principle that three marine miles extending from her coast line constitute the proper limits of her territorial waters.

Nevertheless, under Article Two of that convention, as evidence of our neighborly good will, we agreed that we would raise no objection to the boarding of our private vessels outside the limit of American territorial waters by United States authorities; but by the same Article Two it was expressly provided that these exceptional rights should not be exercised at a greater distance from the coast of the United States than could be traversed in one hour by the suspected vessel.

Recently an unarmed vessel of Canadian registry, sailing under our flag, was sunk more than 200 miles off the American coast by a vessel of the United States Customs patrol, leaving her crew to struggle for life in a stormy sea, one only, fortunately, being drowned. There is a widely prevalent opinion in our country that this event was neither authorized by the express terms of that convention nor by the recognized rules of international law.

Let's Prevent Such Things

SHOULD not the business men of both countries who desire to maintain cordial relations between our two countries insist that our respective governmental authorities shall so exercise their rights, under such temporary international agreements, that provocative incidents such as these may be prevented, or, at the least, that they shall always be preceded by due notice and friendly discussion.

There is another matter now being discussed by the business men of both countries, the St. Lawrence waterways. It has been proposed that the United States and Canada should enter into a joint agree-

ment for completing the navigating channels and canals to a depth of 27 feet from the head of Lake Superior to tidal waters on the St. Lawrence River, together with the installation of hydroelectric structures and power machinery to utilize the available hydroelectric power on the St. Lawrence.

I am merely voicing my personal opinion in saying that this project has not been enthusiastically entertained in Canada; first, because of the weight of the financial obligations its early completion would impose, at a time when other large public expenditures are pressingly necessary, and secondly, because it apparently proposes to vest in the United States Government rights in respect of the St. Lawrence River, where it lies wholly within Canada, in addition to those which are conceded under existing treaties.

It is my personal opinion that the proposed St. Lawrence development would have been more favorably considered in Canada if the problem had first been resolved into its simplest component elements.

The United States already has constructed two canals at Sault Ste. Marie. We have constructed one. The United States has also made improvements for the navigation of the St. Clair and Detroit Rivers; so that at the present time vessels drawing 20 feet of water may safely navigate, for a distance of 848 miles, from Fort William to Port Colborne, or from Duluth to Buffalo. The deepening of these channels, if deemed desirable, should necessitate no new convention between the two countries.

American Ships Don't Pay

CANADA, at its own expense, dug and now maintains the old Welland Canal between Lakes Erie and Ontario, which is used without charge by vessels flying the American flag. In 1912, we undertook, at our own expense, the construction of the New Welland Canal, for a distance of 25 miles, to a depth of 27 feet. This new canal will be completed next year at a cost of \$116,000,000 or more to Canada. When it is completed, shipping under the flag of the United States may traverse it under our existing canal regulations without paying into the Canadian Treasury one dollar for canal tolls.

The international section of the St. Lawrence River extends 115 miles from the eastern end of Lake Ontario to the international boundary at St. Regis. Throughout this international section, the United States and Canada have equal rights to the navigation of the St. Lawrence River, and to use of its flow for development of hydroelectric power. Along the first 67 miles of this international section, proceeding easterly, the St. Lawrence is a deep slow-moving stream, in which no waterpower can be developed. Here the River may be improved for navigation by carriers drawing 27

feet of water through an expenditure of not exceeding \$1,800,000.

Then the River, for a distance of 48 miles, embraces a series of rapids and swift-moving waters, having a total fall of 92 feet, of which a net head of 82 feet may be utilized to produce about 1,700,000 horsepower of continuous power.

These river rapids are now overcome for navigation purpose by the Galops, Rapide Plat, Farran's Point and Cornwall Canals, all of which have been constructed and maintained by the Canadian Government. Under our existing canal regulations, vessels carrying the American flag also navigate these four Canadian canals without payment of tolls.

It is with regard to improvements for navigation along this international section of the River that, in my opinion, the pending negotiations between the two countries should, for the present at least, be restricted.

Would Hurt Present Canals

AMERICANS, as competent business men would be disposed, I think, to limit such negotiations to the simple material elements, namely, an agreement to construct and maintain two dams across this international section which would hold back the stream so as to form two long narrow lakes sufficiently deep for navigation by vessels drawing 27 feet of water, and with locks at each of these dams for the ascent and descent of shipping.

Plans which are now proposed place these locks, the weirs which control the flow of the River to Montreal Harbor, and even the power houses and machinery for the production of hydroelectric energy, all on United States territory. The carrying out of these plans would destroy the four canals on the Canadian side, which have already been constructed by Canada at great expense, but which are now free to American shipping.

Why should we now destroy these existing Canadian canals, which largely serve our present needs, and which may be enlarged by us at our expense, in order that we may contribute of our limited financial resources to the construction of projects which will be exclusively located on United States territory and under the jurisdiction of the United States and of the State of New York?

If, nevertheless, our two countries are to continue negotiations for the improvement for navigation of the international section of the River would it not be expedient to restrict the proposed joint international project to the international section of the River, in which both countries have equal rights? Such a course especially recommends itself by reason of the facts that the United States does not really need, and Canada is not, I think, prepared to concede, any rights or privileges in the Quebec Section of the River in addition to those now granted under existing treaties.

If the all-inclusive undertaking now under consideration, which was proposed by the Joint International Board of Engineers and which involves a joint outlay of \$840,000,000, were restricted to the more simple proposition of carrying out the improvements for navigation on the international section of the River our two countries could then construct the two dams across the River, with the necessary locks and such foundations for power houses as may be constructed as parts of these proposed dams, at an estimated total cost of \$146,000,000.

The hydroelectric powers available on this section of the River, are claimed on the American side of the River by the State of New York and on our side of the River by the Province of Ontario. The more limited joint undertaking which I propose would enable each of these claimants to build on these foundations, of which they should each bear an equitable share of the cost, their respective power houses on their respective sides of the boundary. They could then install their own hydroelectric generating equipment at their own cost at such times as their respective markets might dictate.

The Federal Government of Canada would then be at liberty to improve, within a reasonable time, the St. Lawrence River, from the international boundary to Montreal Harbor, a distance of about 60 miles, by deepening its channels and constructing the proposed new Soulanges and Lachine Canals to a navigable depth of 27 feet.

Such a scheme for the hydroelectric development of the international section of the River would be but slightly more complicated than that which has already been carried out at Niagara by international agreement, and probably no more difficult of accomplishment than the construction of two or three international bridges across the St. Lawrence River.

No Diversion of Water

SUCH limited proposals would, in any opinion, be more favorably entertained by the Canadian people, if, as a preliminary, it were made clearly apparent that the United States has determined that the present diversion of lake water at Chicago, which we deem to be a breach of international comity, shall forever cease, and that the waters of the Great Lakes and of the St. Lawrence River shall never again be diverted into another watershed to the grave prejudice of existing navigation and power rights along that River.

As many men have many different minds, the views which I have expressed must not be deemed to have been concurred in by all the boards of trade and chambers of commerce of Canada, nor to represent the policies of the Government of Canada, which I have no authority to represent, nor even those of the Conservative Party of Canada, with which I am more closely associated.

Bringing the Tariff Up to Date

By WILLIS C. HAWLEY

Chairman, Ways and Means Committee, House of Representatives

THE Tariff Act of 1922 has fully justified its existence. It has restored confidence, rehabilitated industry, fostered agriculture, provided millions of wage earners with employment, and brought prosperity to our people. For the great majority of the articles for which it provided protection, it is still efficient and sufficient.

But the past six years have seen the most remarkable developments ever made in any similar period of history. New articles are produced, or old articles in new forms, scientific research has astonished men with its proficiency in relation to production of commodities, new machinery is devised, and new competitors have entered upon new fields of competition. By reason of these and other causes, competitive conditions have changed. We have fields of production and industry in which the forces of foreign competition are making serious inroads. The arm that has protected other industries now should be raised to protect these. Notable among the industries needing such protection is agriculture.

For this reason, we have undertaken a readjustment of the Act of 1922. We are repairing the defenses where the attacks are making inroads. All our people and all our industries are entitled to the same consideration. It is the purpose of protection to place all producers and products upon the basis of equal opportunity against imports from abroad. Our remarkable growth from a people of some \$16,000,000 of wealth and 31,000,000 of people in the '60's to approximately \$300,000,000,000 of wealth and 120,000,000 of people in 1929, and a corresponding increase in all the desirable conditions of human life, are the outgrowth of the competition at home, rather than of that from abroad.

The Constitution confides to the House of Representatives the sole right to originate measures for raising revenue. The House has designated the Committee on

Ways and Means as its agent to prepare and submit to the House bills for this purpose.

During the recent campaign the Republican Party proposed, if retained in power, to readjust the tariff. The country responded by the election of a Republican President and an increased majority in the House. At the assembling of Congress in December, 1928, the Committee on Ways and Means agreed to prepare a bill for the purpose of carrying into effect this understanding.

Hearings began January 7, 1929, at which the full membership of the Committee sat. Over 1,100 witnesses were heard, and 11,000 pages of testimony were taken. Some 300 persons filed briefs but did not appear in person. The hearings required some 45 days.

After the hearings were concluded, in accordance with precedent the 15 Republican members undertook the work of readjustment. About a month prior to the beginning of the hearings, the chairman of the Committee designated each Republican member as chairman of a subcommittee for the preparation of readjustments in a specified schedule. There were 15 schedules providing duties. Five subcommittees were appointed, consisting of three members each, having three schedules to consider. Each one of the three members was the chairman of a schedule. The assignments so made were ap-

proved by the Republican members. The purpose was to cause each schedule to receive the intensive study of three men, one of whom was to be held specially responsible. The plan proved of great value at the hearings by assisting the members in questioning witnesses. Of even greater importance was the fact that it gave the members three months' notice of the particular work each had to do.

After conclusion of the hearings, the subcommittees began work upon their schedules, reading the testimony and studying the briefs. The testimony and

briefs were also analyzed by the experts of the Tariff Commission, and summaries of the evidence were furnished the subcommittees. This also enabled these experts to become thoroughly familiar with the problems before the subcommittees, to assemble detailed data, and to verify figures.

Also the Tariff Commission furnished the Committee with a very important summary of tariff information. Statistical documents and publications in considerable variety and official in character were used.

Committee Had Able Advisers

DURING the preparation of the readjustments, the subcommittees had the assistance of men particularly qualified upon any given matter, including those from the Tariff Commission, representatives from the Departments of Treasury, Justice, Agriculture, and Commerce, and from the Customs Court and Customs Service. These men furnished information upon administrative questions; court decisions; customs practices; past history of goods, wares and commodities entering foreign trade as exports and imports, where and how produced, quantities, qualities, import values, sales prices, costs, labor, distribution, and the possibilities of increased production at home and abroad.

These same qualified men sat with the 15 Republicans as each subcommittee made its report. Each such report was subjected to a detailed inquiry by the 15, and the subcommittee making the report was requested to submit the data upon which their conclusions as to rates of duty were based. The reports of the subcommittees were examined by the 15 and later were again taken up for further cross-examination.

What a protective policy intends to do is to equalize the cost of production at home and abroad. In its application this means to adjust the differences in competitive conditions at home and abroad. The protectionists hold that the American market belongs to the American people. It was created by their labor, industry, ingenuity and ability. It is a thriving, prosperous and active market.

Foreign producers, who in many instances can obtain raw materials at lower prices than American producers and



©HARRIS & EWING

Willis C. Hawley

who pay for labor less than 40 per cent on the average of what is paid in the United States, look longingly toward this market and desire to enter it upon the best possible terms.

This is a laudable desire. But we regard the protection of the American market and of our producers and laborers as a domestic question to be settled in such way and on such terms of trade as we deem advisable. We alone have a right to say what shall happen in this market and the conditions on which outsiders may enter it.

The Committee on Ways and Means, acting as the agent of the House and of the Republican Party, has welcomed all information that it might be as well informed as possible on all matters affecting the tariff. We have no intention of excluding foreign products from the market of the United States, but it is the purpose to admit them under such conditions and in such quantities as not to throttle our industries, imperil our wage scales and impede our development.

As a fundamental fact domestic competition is more vital in regulating prices in this country than foreign imports. The cases of tin plate, steel, aluminum and other products may be cited. The foreign goods sent to this country naturally sell for what the market will bring irrespective of the costs of production.

Why should they not so sell? We believe, since we have created this great market and maintain it, providing all the legal and commercial machinery for its use and protection, that foreigners who desire to participate in the benefits of this market should be charged an entry price that will prevent disaster to our people, and put into the Treasury considerable sums of money and thus relieve our own taxpayers to that extent.

Our Trade Is Increasing

UNDER the protective policy during the last six years our foreign trade has greatly increased, with a corresponding increase in the amount of money received from customs duties approximating 600 million dollars a year. Our foreign trade has practically doubled under the Act of 1922, and is the largest in the peacetime history of our country.

For after all, taking into consideration all the factors involved, the fundamental economic basis of our national progress and prosperity is production in its various forms. Whoever finds more economic ways of producing goods and makes them more generally available is a public benefactor. Such an agency is protection.

Foreigners have no natural right to trade in our markets. It is a privilege granted under the comity of nations.

The rates in a tariff bill are intended to adjust the differences in competitive conditions in this country and abroad in order to give the American producer and American laborer proper opportuni-

ty in the American market. These rates are based on the experience of a given period—due consideration being given to the history of imports over a period of several years. The quantities produced and the prices received fluctuate from year to year and from season to season. A duty is based upon an average experience. A fluctuation in price affects the effectiveness of a duty.

In other words, the effectiveness of a duty depends upon the market. Without a careful examination of the market for a given period, it is not possible to say to what per cent a duty was effective. A duty may be wholly effective at one time and only partially so at another, depending upon the market.

A Minimum of Changes

OUR 1,100 witnesses presented many requests for readjustments. Modifications in existing law are to be made only to the extent that, and only in case where, the facts as ascertained warrant. Witnesses were urged at the hearings to submit evidence showing the difference in competitive conditions here and abroad as the basis for the consideration of their requests for adjusted duties.

In determining the rate of duty to be imposed it is necessary to decide what conditions of American production will form the basis. I speak especially concerning manufacturing enterprises. Plants are located in various parts of the country. Each section has advantages and disadvantages.

Presupposing management to be equally efficient a plant so located as to be near raw material, close to its supply of fuel or power, near to markets and with moderate freight burdens, and near to an adequate labor supply, other things being equal, has a distinct advantage; and one distant from labor, from raw materials, from fuel and power, and from markets, with consequent high freight burdens, has a distinct disadvantage.

A duty sufficient only for the most favorably located plants might tend to their benefit at the expense of their less favorably located domestic competitors. Plants least favorably located have the status of marginal producers who tend to disappear. That is, unless careful consideration is given, a tariff may have a tendency to redistribute production.

Our opponents charge that a high tariff promotes monopoly. It seems to me that our experience proves the contrary so far as domestic production is concerned. A low tariff might tend toward monopoly under the conditions cited above. No general rule can be stated. Each such situation must be studied on its merits, and the rate of duty fixed to foster sufficient production without unnecessary interference with domestic conditions.

Experience indicates, however, that in the great majority of instances foreign

competition is keener in certain localities than in others. When such storm centers are accurately located, whatever rate of duty will be sufficient for them will also take care of all the others. The problems outlined above cause tariff makers many difficulties and serious investigation and study, for tariffs deal not alone with foreign competition, but also may affect domestic competition.

There are some new factors in world competitive conditions. Italy and Czechoslovakia are becoming significant factors in world trade. The use of new and improved machinery abroad, manned by foreigners trained in our factories, or by Americans so trained, is increasing. Foreign labor is materially increasing in efficiency, with no corresponding increase in standards of living. This increased efficiency with lower standards of living and low pay makes a distinctly new factor in competitive conditions, and is of especial importance to American labor.

Immense amounts of American capital are invested abroad, presumably to take advantage of the opportunities conditions above indicated afford. It is frequently asked that consideration be given to foreign products produced by Americans who have invested their capital abroad. But since they buy their materials abroad, use lower paid foreign labor, and enrich foreign communities, such products cannot be given preference. They are foreign competitors and can become the most dangerous of such competitors.

It is remarkable how our foreign competitors can select the items in a schedule upon which successful attack can be made by reason of an inadequate duty. When this occurs the plumes of smoke fade from our stacks, the hum of industry ceases, trains no longer bring raw materials and carry away finished products, pay rolls cease, American workmen become idle and practically every person in the local communities feels the loss in some degree.

Good Tariff Helps All

ON THE other hand a successful tariff distributes benefits to our people. When a duty is placed upon certain industrial products the production of such articles increases in the United States; more raw material is purchased for their manufacture, and more labor is employed with more hours' work per year; the price to the American consumer is reduced. Meanwhile the steadier employment of labor at better wages causes larger amounts of commodities to be purchased and consumed, the business of merchants increases, and larger quantities of farm products find a favorable market.

Or, to state it in another way, every duty is a spring of pure water of industrial life, and the united results of all duties make the rising tide of American prosperity.

The Future of Small Business

By J. FRANK GRIMES

President, Independent Grocers' Alliance of America

THE gauntlet thrown down defiantly before wholesalers, independent retailers, and manufacturers with moderate production (the small businesses of America) has today been taken up with confidence and assurance.

While the individual units of this part of our commercial structure may be small, yet in the aggregate they make up the largest and most important factor of America's business.

Domestic commerce plays such an important part in the prosperity and happiness of all that we cannot ruthlessly disregard the influence of business on the general welfare of all people. It is of great importance then to consider carefully any development which might tend to disturb practices and relationships that so intimately affect the interests and welfare of the major portion of our population.

Probably no informed and thinking individual will deny that our national well-being hinges largely on the prosperity of the thousands of smaller cities and villages scattered across the nation. In the great majority of these places, retailing and wholesaling make up the larger part of business. In many communities, retailing is the only business to be found.

Small Towns Are Vital

AS A matter of fact, our big industrial centers have developed because surrounding them are thousands of smaller cities and villages which, being prosperous within themselves, are able to make vital contributions to the progress of the big cities. Serious reaction would take place in these big cities if the profits made in smaller communities were impaired. As our large cities are really made up of many small local trading areas, we must include these in the general cataloging of small businesses.

Small businesses make two vital contributions to modern American life.

The first comes from the profits these businesses produce. These profits develop new enterprises within the community, buy new furniture, clothing, automobiles and countless other things that contribute to our general happiness and our economic welfare.

The other contribution that small businesses make to our social structure is the opportunity they offer our ambitious and efficient young people to obtain the train-

ing in executive capacity and business responsibility that eventually will fit many of them to go into business for themselves. These small businesses in the small communities have provided the training ground for many of the executives now heading our large industries and banks.

Nothing should be permitted to impair the making of profits and the keeping open of opportunity for young people. The day that happens, America will take its first step backwards.

Let us see how extensive the wholesale and retail business is and we will appreciate the great factors they are in our entire business structure. There are approximately 1,300,000 retail outlets and about 35,000 wholesale houses in the country. Invested in these enterprises is approximately 15 billions of dollars. The annual sales of wholesalers and retailers approximate 60 billions of dollars per year. Engaged in these businesses are some seven million people; these with their families and dependents provide incomes for approximately 30 millions of our population.

An industry making up such an important part of the whole cannot be pushed out of existence without seriously deranging the entire business mechanism. Into this field of distribution has now been injected a new system. Being of nonresident ownership, its interest in local welfare is and cannot help but be incidental.

All it wants is profit. It aims primarily, though unconsciously, at the destruction and elimination of small businesses. Its growth has been phenomenal, the profits earned something to conjure with; the investing public has been swept off its feet, manufacturers are practically fighting for its business.

Many bankers, legislators and manufacturers have decreed that wholesalers and independent retailers are in a helpless position and that it is only a question of time until they will cease to be important factors in American business. A viru-

lent case of contagious hysteria seems to be rampant.

But small business is not yet dead and buried. True, it has been badly manhandled because it has not yet fully understood the principles of mass operations. However, it is learning and today evidences of progress are visible. It is catching on. Once it grasps the significance of mass operations, what a glorious future will unfold.

Real progress, however, will be made only when the wholesaler and retailer understand that they must match or excel their formidable competitor through greater efficiency, economy, and modern sales methods. Many wholesalers and retailers firmly believe that mass buying power will solve all problems. They are mistaken. Buying, while very important, is actually incidental.

Many think sales increase is the solution. The retailer whose sales total \$25,000 per year thinks, "If I could do \$40,000, my troubles would be over." And the retailer whose sales total \$40,000 thinks \$50,000 in sales would cure every ill. The wholesaler whose sales total a million is in trouble and thinks two millions would save him. But the wholesaler doing two millions is in worse shape than the other fellow.



HARRIS & EWING

J. Frank Grimes

While buying and sales volume are of great importance, they really mean nothing if the cost of operations nullifies every other advantage. So, if we are at least partly conscious we will first get expenses in line and then it will be easy to match buying and selling power. But it will require cooperative action to lower expense.

Let us look at some figures:

In the grocery field, exclusive of those wholesalers and retailers now in the I. G. A. movement (not having figures of other fields I cannot speak for them) the average total cost to operate for 1928, both wholesale and retail, was 29 per cent of sales. In the I. G. A. this has now been reduced to approximately 19 per cent of sales.

In the hardware, dry goods, drugs and

other lines, the differences in cost between the competing lines of distribution is even more marked. It would serve no good purpose to quote these figures here. The condition is now being corrected. To the lack of practical cost information can be traced the greater part of this difference in the cost of operation.

Small business can and now is correcting this wide difference in costs. It is doing so by retail concentration of buying, by using only one source of supply where a single source is practicable. The scattering of buying through many sources has made it impossible for the wholesaler to function economically and develop buying power.

In the Independent Grocers' Alliance wholesale costs are rapidly going down and soon the average wholesale operating expense will be seven per cent or less. Six per cent is the mark we will reach. From investigation I am convinced that operating costs in other wholesale lines can be materially reduced; in most cases cut squarely in two.

The main factors in wholesale expense reduction are retail concentration of buying, elimination of small unprofitable accounts, standardization of lines and elimination of duplicate brands and items with small consuming demand, transformation of salesmen into retail supervisors, and adoption of well planned and thoroughly maintained budgets.

In the grocery field the practice of salesmen calling on 100 accounts weekly and producing only \$6,700 in sales per month must be changed. This wasteful selling cost must be reduced. It is being done by the supervisory salesman concentrating on not over 30 good accounts that confine practically all buying to the one wholesaler. Then the salesman produces from \$25,000 to \$40,000 per month.

A tremendous saving follows in office, warehouse and delivery expense. In one I. G. A. wholesale house, which has over 4,000 accounts on its books, 232 I. G. A. retailers account for more than 55 per cent of the firm's entire sales volume. Those familiar with wholesale expense will appreciate the remarkable reduction of expense that will follow when this wholesaler gets as great or greater volume from 500 accounts that he now gets from over 4,000. All along the line expenses will go down with a bang.

Economies Can Be Made

SMALLER stocks, fewer brands, faster turnover, fewer trucks, and elimination of excess personnel will place wholesalers on a competing basis with the warehouse depots of competition. Then, with a sufficient number of wholesalers in each line pooling their buying, they will approach the independent retailer on a sound economic basis.

But up to this point scarcely half the job is done. It is now up to the retailer himself to put his house in order. His first

step is to concentrate buying. He must stop being a reception committee for salesmen. The high pressure brought to bear on the retailer resulting in overstocks and endless slow moving items must stop. The time saved by concentrating buying is now available for bringing into action lowering of overhead and better selling.

The next step is to consider seriously whether it is more effective to sell on a basis of credit and delivery, on the cash and carry plan, or to go a little step further and inaugurate self-service.

Most Important Saving

ITS significance is more clearly shown when one considers that the average retail grocer's expense under old methods is 18½ per cent, while under the self-service plan, it can be reduced to eight per cent or less.

Not all retail lines are ready for self-service and some never can be, but most of them can adapt the plan with great success. In the grocery field self-service will shortly be operated in at least 80 per cent of the stores.

Under old methods, as a retailer's sales increase his expenses increased. He needed more clerks, more delivery boys, more trucks. The secret of the new plan's success lies in the homely fact that every customer is a clerk. If 100 new customers patronize a store, that store has 100 new clerks who are not on the pay roll.

The average amount of each purchase in the properly equipped self-service store is far in excess of that in any other type of store. This of course necessitates store rearrangement, proper location of items, complete but fast turning stocks, and proper purchasing. It must be appreciated that the retailer cannot do these things single-handed. He cannot afford the cost of employing the talent necessary to provide his store with merchandising and advertising of the quality and quantity necessary to match the powerful and highly organized competition of thousands of retail units.

He must employ mass methods. And this can be done only by the cooperation of a sufficient number of independent merchants. This requires the finest type of organization, and it is absolutely necessary that wholesalers and retailers cast their lot together. Then they will have buying power. Then they will have advertising power. And all at so low a cost per store as to be really insignificant.

Under the plan of highly organized cooperative action the combined costs of wholesaling and retailing can be cut practically in two. This lowering of expense plus real buying power now enables the retailer to approach the consumer with prices and attractive stores that will at once command his patronage. Then and only then can local ownership be featured soundly and successfully.

Small business need not fear the future. The I. G. A. is proving this in thousands

of cases. Small manufacturers within certain lines will soon learn how to employ mass methods. They will adopt sound cost accounting and operate under well planned budgets. They will learn the fallacy of too many lines and begin concentrating on the items they can produce to best advantage. They will stop trying to sell to everybody in every city and state. They will learn how to work together.

In the wholesale and retail field the awakening is now coming. There is no question about this. The wholesaler and independent retailer can match in economy, efficiency and merchandising ability any other system if they will only put aside false pride and old theories and ideas and work together. Unless they do they are doomed. If they should be pushed aside then our country will face the most serious crisis in its history. An issue of both political and social significance would have to be met. But I am confident the small business will measure up, and in a basis of sheer merit will go on to bigger things.

Trade Associations Are Growing

PRESIDENTS and secretaries of more than 400 trade associations, the largest representation in the history of the organization, attended the annual Washington dinner of the American Trade Association Executives at the Mayflower Hotel May 1.

At this meeting Montie L. Heminway, vice president of the association, announced the establishment of the "American Trade Association Executive Award," the anonymous founder of which recognizes "the great economic force of the trade association in industrial and commercial life and believes that the award will focus public attention on the work of trade associations, stimulate cooperation and inspire higher standards of purpose." The award is to be in the form of a bronze medallion.

The luncheon meeting of the association, held May 2 in the Mayflower Hotel, was devoted to reports of officers and committees. At this session Leslie C. Smith, member of the board of managers, national school, outlined the program for the summer school for trade association executives to be held at Northwestern University August 4 to 17. The board has increased the curriculum and secured the best qualified instructors for the courses.

Glenn W. Bittel, chairman of the program committee, outlined the plans for the tenth annual convention to be held September 26, 27 and 28. Frank Dunning, chairman of the membership committee, announced that 67 members have joined the association since the last meeting and that a number of applications are pending.

What the Trade Association Offers

By CHRISTIE BENET

General Counsel, Interstate Cotton Seed Crushers' Association

I THINK it can be stated without fear of contradiction that the trade association has come to stay. All who have studied the situation feel that its contribution is such that no group of intelligent business men would try to do business without the aid of an association.

Voluntary group action is rapidly becoming the dominant force in industry.

The whole economic administration of the country depends on the cooperative principle. Trade associations have demonstrated that they can promote a more moral, more efficient, more stable economic structure to the advantage not only of the associations but of society.

These results are being obtained without defeating the essential features of the competitive process. Cooperation which is not in the public interest is not in the interest of the industry which promotes it.

Business Makes Its Rules

WHAT of the position of the Federal Trade Commission? Let me quote its own words, in speaking of Trade Practice Conferences:

The Trade Practice Conference affords, broadly stated, a means through which representatives of an industry voluntarily assemble, either at their own instance or that of the Commission, but under the auspices of the latter, to consider any unfair practices in their industry and collectively agree on and provide for their abandonment in cooperation with the Commission.

Since 1919 when the first Trade Practice Conference was held, 50 industries have availed themselves of this method and seven conferences are scheduled for May and June.

It is significant that the Commission has approved more than 300 rules of business conduct and that only 24 complaints involving violation of Trade Practice Conference rules are now pending. Two of these are likely to be dismissed and five have been set for hearing. No cease and desist order issued by the Commission and based on the violation of a Trade Practice Conference rule has ever been appealed to a court of record.

What are the strong points in favor of a Trade Practice Conference for an industry?

It is my belief that, to make a Trade Practice Conference effective, it is necessary to have a strong trade association to work up the rules to be considered at the Conference and then to help make those rules effective.

Trade associations operating alone cannot cover the entire industry. There are men in every industry, big and little, who will not join the trade association. The procedure developed so far in Trade Practice Conferences does not handle the man who takes no part in the Conference. However, once you call the Conference, these men either come and take part or they are slow to violate the rules set up by the Conference and then approved by the Commission.

Another strong point is that the members of an industry come in contact with the public because the interest of the Federal Trade Commission in all these matters is protection of the public interest.

A third point is that there is no other government agency to which you can go for assistance of the sort the Federal Trade Commission offers today.

And you do not get a perfunctory endorsement. You not only have the discussions and argument on each resolution introduced at the Conference but you have the consideration of the five members of the Commission and their staff who have had the experience of other Conferences by which they can decide whether your resolutions are sound and legal.

The dangers are that you are likely to rely too much on the Commission both to write the code and later to enforce it. Each industry must work out its own code through the efforts of its best brains.

There is no short cut to economic intelligence. No code passed by you or by the Commission or by you jointly with the Commission can make uneconomic, inefficient manufacturers competent and fit.

All this leads to some practical suggestions whereby the Commission can be made more helpful. Most of us in active trade association work and who have studied this question believe that the laws now on the statute books are sufficient for the work of the Commission and we certainly do not ask that the Sherman Antitrust Law be repealed.

We believe, however, that the facilities of the Commission should be extended by



©HARRIS & EWING

Christie Benet

the addition of economists and lawyers who will take into account the modern methods of business and apply the laws of economics thereto—as well as those on the statute books.

Because this work is developing so fast, we feel that it might be desirable for the Commission to open up sections of its Trade Practice Conference work in cities where it now maintains legal staffs.

We feel that it would not be fair or wise to have those who happen to be close to Washington receive all the advantages that they may readily get there from the Commission and those in other sections have no access to such information and advice except by a long and costly trip.

We feel that the fine liaison which has existed heretofore between the Department of Commerce and the Department of Justice and the Federal Trade Commission might be extended and we suggest that it might be well to have representatives from those Departments participate in the Trade Practice Conferences of the Commission.

We feel that there should be provision whereby industries that do not feel it necessary to go through a Trade Practice Conference may have the right to file with the Commission voluntarily a statement of rules under which they are operating or under which they would like to operate.

It would greatly strengthen the whole conference idea if the Commission could add to those condemned trade practices, against which it frequently proceeds, one that is equally unfair—deception in connection with the violation of self-regulatory rules.

This probably would involve taking a test case to the Supreme Court, but if this practice could be put under ban a great step forward in the self-regulation of business would be gained. If possible this principle should be extended to apply to rules voluntarily filed with the Commission, if such a practice is developed, and even perhaps to willful violation of rules set up by industry in its standards of business principles.

Business Can Make Taxes Fair

By JOHN G. LONSDALE

President, National Bank of Commerce, St. Louis, Mo.

WHEN Pandora opened her box and released upon an unsuspecting world a host of troubles, taxation must have been among them.

For, in every civilized country the question of taxes has become of increasing importance until today we find it a major issue.

"Taxes," as Cicero put it, "are the sinews of the commonwealth."

They provide the revenue whereby our government, national, state and local, operates for our benefit and protection. Taxes increase with the growing activities of commerce and industry and complexities of civilization.

As taxes increase and our population multiplies, the chances for maladjustments and dissatisfaction grow greater and the need becomes more urgent for a careful study, not only of assessments and levies, but as to whether tax monies are being expended wisely and with real economy. In other words, it is necessary to investigate whether we are getting a dollar's worth for our tax dollar.

Into this picture comes business. Among the growing responsibilities of business is that of seeing that taxes are equitable and that, once in the coffers of the government, they are not squandered.

Perhaps it is with reference to expenditures that we find business men and their organizations making their most significant contribution to the development of a sound public financial policy.

A large part of our present condition in relation to taxes, may be blamed, like a lot of other things, on the World War. During that gigantic conflict, normal tax rates ascended to new heights and surtaxes were imposed until Americans were paying the highest levies ever assessed by any nation.

In the years that have intervened, efforts have been made to restore the tax structure to a condition where it will conform more closely to normal conditions and remove those inequalities which manifestly are injurious to our economic

fabric. With respect to federal taxation, some progress has been made.

But reforms and reductions have not been accomplished without a battle. scarcely a village or hamlet has escaped the conflict that has raged over tax questions. Aldermen, town councils, state legislatures and our National Congress have vigorously debated new plans for relief, while charges and countercharges of mis-spent public monies have filled the air.



© UNDERWOOD AND UNDERWOOD

John G. Lonsdale

Rising costs of government have brought forth champions of various plans, among these being the budget system, uniform accounting for governmental agencies, consolidations of related departments, centralized purchasing and other devices aimed at economy. Business agencies have been among the most vigorous exponents of these aids to better administration.

Whatever tangent our reform movements take, we must never lose sight of

the fact that no individual or industry should bear an unjust burden in taxation.

The history of taxation shows that taxes which are inherently excessive retard the development of business and industry on which so much of our prosperity depends. They drive the taxpayer to transfer his capital from productive enterprises into other things where there is either no tax or where the tax is less burdensome. There is always a danger point beyond which taxation should not go, a point that is the dividing line between profit and loss.

In the feverish progressiveness of a new age a tax has been placed, not only on our real estate, personal property and income, but upon virtually everything we wear or consume and upon our amusements. If the tax is not imposed direct, it comes in the way of higher prices to pay for a levy assessed against the manufacturer. Each year sees the development of new assessments; fresh burdens are shunted to the general property tax and occupations, and businesses are singled out for special taxation purposes.

The demand for higher and higher revenues, in the final analysis, has been

caused by the taxpayer himself. It is a result of the fast moving age in which we live, our desire for a higher standard of living. Concrete highways supplant the old muddy roadways; streets are widened and repaved in an effort to speed the autoist on his way; municipal plazas are constructed as a combined utility and beautification movement, and airports spring up at the edge of nearly every city and hamlet.

And so it goes, without end. To believe such aggressiveness could be pursued without increasing taxes would be idle fancy. Taxes have increased, as we all know. Statisticians have figured that our national government, our 48 states and 500,000 local governments are spending 12 billions a year, or \$40,000,000 each working day, and that, in order to meet these taxes, taxpayers must each contribute one hour's work each day.

Too Many Improvements?

WHILE I do not for a moment advocate a cessation of improvement programs and progressiveness in our different localities, I do urge a more careful study of the future with reference to these enormous costs we are piling on our own shoulders and upon those of future generations.

Fortunately such a study is being conducted by trade groups and associations of business men. With these organizations training their guns on all the maladjustments business is facing, tax leaks are being plugged up and new methods of economy and efficiency are being devised. It is a matter of record that more than one-third of the 1,600 organizations that comprise the National Chamber of Commerce are dealing with local problems of taxation and public expenditures.

An excellent example of what can be accomplished by concerted action and leadership is the extensive development of interstate reciprocity in inheritance taxation, now embracing 31 states, under the combined leadership of the United States Chamber of Commerce, the American Bankers Association, the Investment Bankers Association and the National Tax Association. This is encouraging not only for its own importance but also in so far as it signifies a growing willingness on the part of the states themselves to achieve greater equity in taxation.

It is, however, distinctly only a first step. Barriers to the free interstate movement of capital and goods, reared by a welter of unrelated taxes, must be thrust

aside. An analysis of our revenue system, if it may be called such, shows that more than three-fourths of tax receipts are derived from the general property levy. That being the case one would think there would be more uniformity in the laws and greater coordination of efforts among the authorities. Yet we find every locality has its own methods of making valuations and assessments, some of them outrageously discriminatory and unfair.

I am glad to note that the Committee on State and Local Taxation of the National Chamber is already busy trying to eliminate costly duplication and overlapping of duties in the tax machinery.

One of the classes upon whom the general property tax falls heavily is the farmer. A study of the farmer's plight was made by the Business Men's Commission on Agriculture appointed jointly by the National Industrial Conference Board and the National Chamber, two years ago—a commission of which I had

the honor of being a member. We found that taxes collected from farms in 1912, '13 and '14 amounted to about 11.2 per cent of the farmers' net profit. By 1920, taxes took 13 per cent of the farm income. And in 1925 and '26 taxes averaged 33.1 per cent of the net profits.

The banker is another who carries a heavy and often unjust tax burden. He is singled out for disproportionate assessments and inequalities and is penalized for providing adequate capital and again for accumulating a surplus.

Corporation Tax Hurts

IN CONCLUSION, I want to register my most vigorous complaint against the income tax, a subject which is very popular these days both with individuals and corporations.

The income tax on corporations is too high. Such a tax siphons out corporation revenue and the continuation of this un-

justifiably high levy is defensible only in the narrowest conception of expediency. Likewise the tax upon capital gains should either be abolished or materially reduced. Before the federal tax scheme becomes crystallized under the pressure of probable demands for increased revenue, this unjust discrimination against the corporate form of doing business should be removed not only in the vital and compelling interest of business itself but also in the interest of a plan of taxation more adapted to the uncertainties of the future. Here is an obvious responsibility of business.

Business men have accepted the challenge. They have thrown off their coats and rolled up their sleeves. Definite results are certain. Our leaders realize that the right of taxation is a sacred trust that comes next to a man's liberty. Having assumed the leadership and guardianship of this sacred trust, we know they will not fail us.

Business Goes on Record

The resolutions adopted by the Seventeenth Annual Meeting of the Chamber of Commerce of the United States

THE Chamber of Commerce of the United States views with great satisfaction the progress which is being made toward the establishment of real peace in the world and the constructive leadership in this direction which the Government of the United States has taken.

Reduction of Armaments

IT ENDORSES heartily the principles of The Treaty of Paris and the inspiring proposals consistent with that treaty which have been presented on behalf of our Government for the effective reduction of armaments.

American business has repeatedly declared its aversion to armed conflict and to profit making influenced by the misfortunes of war.

Fourteen years ago by referendum vote the Chamber declared:

That the United States should take the initiative in joining with other nations in agreeing to bring concerted economic pressure to bear upon any nation or nations which resort to military measures without submitting their differences to an international court or a council of conciliation and then awaiting the decisions of the court or the recommendations of the council as cir-

cumstances make the most appropriate.

The relief of humanity from the intolerable sacrifices of war and its inevitable burdens of taxation which for centuries have prevented the highest development of civilization represent the world's great challenge to the intelligence of statesmen. We pledge our unqualified support to our President and our Government in every effort toward the suppression of war as an instrument of national policy.

The Credit Situation

THE CHAMBER of Commerce of the United States recognizes the new problem of finance and credit, and the difficulty of preserving an orderly balance under these new conditions.

Stable currencies abroad are desirable for industry, labor, and agriculture here. Corporate financing has developed recent trends toward common stock issues. Large security trading naturally results from the increasing number of our people with new margins of savings seeking investment, but the capacity of the country to quickly absorb new security issues should be carefully weighed.

Basic industries, especially the smaller units of manufacture, distribution, and agriculture, should not be burdened with

unusually high interest rates resulting from security excesses.

The Chamber has confidence in the Federal Reserve System and its adaptability to new conditions, and holds that the system is entitled to the utmost cooperation.

For more than a year the Chamber has had a committee for the study of finance and credit. The meeting is gratified to learn that this report will soon be in form for presentation to the Board of Directors and asks that as soon as possible the Board place the report before the membership for its discussion and vote.

Policies Relating to Agriculture

THE CHAMBER's policies relating to agricultural problems have been adopted through the Chamber's representative procedure and they are being actively supported. These policies include advocacy of equality in tariff protection with other forms of American industry. For this purpose a tariff bill will soon come before Congress for debate. In the Chamber's policies there is also a recommendation for a new and important agency of the federal government to deal comprehensively with agricultural prob-

(Continued on page 71)

When Business Goes Abroad

By HENRY J. ALLEN

United States Senator from Kansas

THE American traveling abroad is made aware—sometimes pointedly—of the prevalence of an opinion that his country is utterly self-centered and selfish. I returned last year from an eight months' trip around the world as a member of the faculty of a floating university which had 500 floating students, 50 floating professors and seven courses of study.

We started out with the usual American obsession that we are the greatest people in the world because we are the richest; and the best educated people on earth because we spend more for mass education than any other nation. It was engaging to watch the reaction of this cross-section of American youth when they began to discover that no place else on earth are we thus regarded.

It was tremendously interesting as we went around seeking the international estimate in which Uncle Sam and his business is held to observe that almost everywhere the people were bouncing rocks off the head of Uncle Sam and calling him "Uncle Shylock."

Everywhere we went people kept asking the puzzling question, "will you explain the sudden increase in the United States of the imperialistic idea?" I had to tell them I did not know what they were talking about because I had never even heard of it.

Finally, I was dining with a great official of the Government of Singapore and the Malay Strait settlement. He asked me if I was familiar with the rapid growth of imperialistic sentiment in the United States.

I said, "I have heard about this ever since I struck Asia and I do not know what it is about. Tell me in what fashion this growing spirit of imperialism in the United States manifests itself because at home we preach against it and the women's clubs pass resolutions against it and the editors write editorials against it. We hate the word. We think it belongs peculiarly to British institutional life."

He said, "Well, 96 per cent of the rubber grown in the world is shipped from Singapore and you use 75 per cent of it. More than 90 per cent of the tin of the world goes out of this port and you use three-fourths of that. American automobiles outnumber all other makes on Singapore streets. Over in Sumatra, an American tire company owns the greatest rubber plantation in the world and here in Singapore they are preparing to start a tire company which will be the biggest in Asia."

He went on with such illustrations until I said, "Of course I knew that we were doing a lot of business over here but where does that tie into imperialism?"

"Well," he said, "if that is not imperialism, what is it?"

I said, "That is peaceful penetration."

I did not tell him that we did not regard it as our duty to send an army after those who were employing peaceful penetration. I did not remind him what happened in the Boxer Uprising when we were the only nation that handed back to the rebuilding of the people the money paid us as our share of reparations.

In Bombay, India, I heard this sametalk of imperialism. I talked to our consul general and he told me of the multiplication of American farm

machinery, the multiplication of motorized machinery, the multiplication of everything that has come out of the mass accomplishment of the United States.

We came on around to Egypt and found we were rather popular. They were so busy saying unpleasant things about the High Commissioner of Egypt and the British generally that they had no time to bother themselves concerning American imperialism.

That British High Commissioner whom they dislike so cordially is a wealthy man. He might be in London serving in the House of Lords with little to do, living on his independent fortune. But he was there burdened with many cares on the outpost of British efforts. I asked him

why he did this. His answer was significant and profound.

"I want to carry on here," he said, "so that when the excavators of the future dig me up they will say, 'Here was a Britisher who tried to make life better for the Egyptians while he lived among them.'"

So he is making life better. In Constantinople I found the Turk looking much like the Egyptian but the Turkish pound is worth 60 cents on the dollar and the Egyptian pound is worth 500 cents on the dollar. Much of that difference is due to the order and the experience and the standardized business intelligence with which Great Britain carries on in Egypt.

Contracts or Invasions

HENRY FORD has just bought a large acreage of rubber land in South America through an honorable contract with a de facto government. That contract is good for the state in which the plantation is located, economically good for the rubber industry.

Yet if a revolution breaks out and threatens that honorable contract and Henry Ford asks the Government that his contract be given some intelligent attention, you know that the first emotional uprising in a people who have read only the headlines will be that we are contemplating an evil action in South America.

So I believe that no better task challenges American business at this hour than that of creating in the popular American mind an adequate intelligence touching business affairs abroad so that we may have the same business morals abroad that we have at home.

If we are going to create intelligent standards of business morals abroad we will have to create an intelligent appreciation of what we are trying to do abroad.

If we are going into the markets of the world in obedience to the impulses of our mighty mass production we will have to take the intelligence and the conscience and the consideration of the popular mind and the popular character of America as well, that we may insist that those who represent us in foreign fields may represent us according to the great ideals of integrity with which business is carried on in the United States.



Henry J. Allen

The Impress of Science on Business

By C. F. KETTERING

Research Laboratories, General Motors Corporation

THE difficulty with the discussion of science and business has been that most people do not understand exactly what is meant by science. To clarify that point I will say that we regard anything we do not understand as scientific.

The apparent conflict between science and industry has been on just that one point. It dates back some six or eight thousand years to the time man first began to become conscious of his existence and make a few marks on a wall.

Every individual has three distinct entities, his physical being, his instinctive self and his intelligent self. Instinctive reactions have been at work for so much longer than intelligence that they always get the first seat in our mental reaction. Therefore the instinctive reaction is always to stay where we are, to do things the way we are doing and, after we are 40 years old, instinct says, "I wish I could get my business in shape so I would not have to worry about it any more," and sets up the idea that you can crystallize that business into a perfectly definite thing that will be self-operating. Intelligence says that is not true but instinct has the lead.

If you would analyze the situation you would find that the old maxim "there is nothing so constant as change" forbids and prevents ever crystallizing anything. Consequently, when you are discussing science and business, you are discussing the process of change and nothing else.

Modern business has had its departments of finance, production, sales and advertising but until very recently it has had no systematic department of change-making. That is the new factor which is being introduced into business. Your business will change whether you want it to or not and you had better study how changes come. Consequently you have to organize a department of systematic change-making. You can make the changes as you go along or you can allow your business to slump and then, by some heroic method, try to get back to where you ought to be. The only thing we are asking in modern business is that we shall have a systematic department of change-making.

What are some of the essentials of that department? In the first place you want to know not only what is going on in your own business but what is going on in every business. You do not need details but you need to know the trends other businesses are taking because many of the outside

influences will affect your own business.

The principle of research as applied to modern industry is relatively simple. Most people think of a research department as a chemical balance or a test tube or something of that sort. It is nothing of the kind. It is only a point of view from the management standpoint and if the management does not recognize what it needs to know, then there is no use to have a management.

You can generally establish a research department in a simple way by having a man whose job it is to travel around and find out what other industries are doing.

If you are willing to admit that some things are wrong with your business and wrong with your product and then start out and systematically fix those things, that is another way to get into the research business. You can fix them first by finding out what has been done by other people and seeing if it is applicable to your business. If the information is not available it may be necessary for you to go and buy a chemical balance, or a test tube or testing machine and gather that information. But the first principle is that it must be a point of view of management before you can hope to get results.

There has been a great deal of failure in research in industry because we have hired some technician from some reliable organization or institution and set him aside and said, "that is our research department."

There is an underlying and definite reason for those failures. We get a man out of a technical organization, put him in industry and expect him to realize our position in our industry and fix it for us. He cannot do it. We have to analyze our business and find out what needs to be fixed and give the man a specific problem within the range of his ability. Consequently the analysis of our problem and becoming conscious of the problem is the first step in the successful solution of it.

There are many other ways of looking at research. You can look at the great

procurement departments going out and buying materials. Research is simply the procurement department for new ideas and it is just as essential because as much money, as much progress and as much service has been rendered by new ideas as by the fabrication of materials. But you cannot wait until the day after you need the new idea before you start to get it. You have to have it long enough that it works into your business as a self-seasoned, fitting proposition that is harmonic with the rest of your organization.

You can look upon research also as a budgeting system for your industry, to budget your industry industrially the same as you budget it financially.

The first thing you must recognize is that your business is going to change. The next thing is that you must be able to find and to recognize what factors are going to make it change and then have those factors digested in your organization before the public demands the change.

We look at research from a slightly different angle. We look at it from the standpoint of providing additional facilities to take up the slack in quantity production. In other words we hear continual talk of the machine age, but it is our impression that more positions are created than are filled. Consequently research ought to provide a new type by which employment can be continuous.

That is done in this way. We say that in our particular line our chief job in research is to keep the customer reasonably dissatisfied with what he has. That is exactly what it is for.

I was taken to task one time by a banker. He said, "That is economically wrong. You put out a line of products and your customers are satisfied with it. They have not paid all payments on it, yet you bring out new models which depreciate the product which they have. Consequently the advance is paid for by a terrific depreciation in that which already exists."

That is not so. If we depreciated that product we would have to do something



C. F. Kettering

to it, which we do not do. If you have an automobile and we bring out a new one which you like better than the one you have we did not depreciate your old one. It is the same car you drove yesterday and it will be the same car tomorrow. What we did was to appreciate your mental attitude of what you can have.

What you think you are taking as a loss on your old automobile is part payment for your increase of mental perception.

If we did not change that automobile and you came into the market two or three years later, you would buy exactly what you have now. But you buy much more than that when you come into the market again and you are getting back in improved facilities, improved operation, improved everything more than you suffered in depreciation on your old car. That is true of every line of business. Consequently, that particular improvement would not be bad if we stayed static.

Values do not exist in material—they exist in the minds of the people who buy. Why do ideas of value change? It is perfectly simple. Every year about two and a half million new people are born into this country. Therefore in ten years, 25 million new people come in who know nothing of what you thought was good or what you thought was bad. They come with a fresh point of view, with a new conception of what they ought to have.

We sometimes forget about these new people. The day you were born everybody in the world was older than you were. You keep on thinking all the intelligence and all the development lie in the direction of "older than you are." When you are 26 years old there are just as many people younger than you are as there are older than you are. That is the half-way point. When you are 40, eighty per cent of them are younger but you are still thinking of the gang that is older than you are as being the dominating factor. They have nothing at all to do with it actually.

Let the Young Run It!

COUNTLESS people today do not recognize that simple principle, and are not bringing any new people into their organizations at all. Every general manager ought to resign soon after he is 50 years old and become an instructor instead of a manager. Let him put into the business the instruction and advice which he can give from past experience but let the people who understand the buying generation which is all younger than he is manage the business.

Science is trying to give to that two and a half million new people who are coming into the world each year the things that rightfully belong to them, because in that same year some new improvements and some new developments have come which are their birthright. You have to keep that up year in and year out as a regular proposition.

Every once in a while we find an institution that says, "after we make this change, we can settle down for a little while."

All the way along the road of life people are looking for park benches where they can sit down and rest. There is only one place where there are any park benches, and that is immediately in front of the undertaker's office. If you do not like to travel the rate at which you have to travel, stamp out of the line and be a good spectator and adviser of those who want to stay in the race. You cannot slacken the speed because Nature fixed it when it put 24 hours in the day and 365 days in the year. You have nothing to do with it. You are going to be 24 hours older tomorrow no matter what you or the United States Congress may think about it.

If you recognize that dominating force which time has in the picture, then you will understand why you cannot stop change.

Will Change Stop Changing?

PEOPLE say, "How long can you keep up this change?" I have not the slightest idea. We do not know anything about anything yet. Each year we do many things which the year before we did not think we could do at all, but the great difficulty with the average human being is that he is a little bit puffed up in thinking of what he does know.

Consider this modern wonder, radio. We look upon that thing as brand new. The first flash of lightning was the first radio broadcasting system. We do not invent these things. Those fundamental laws of Nature have been in operation ever since the world started. We only discover them.

What are the possibilities for us? We have no idea. We are just beginning to learn how to measure things and analyze things. We know nothing about the great subject of metallurgy, which controls the main structure and elements of our great organizations. We know nothing about chemistry. So the future is going to bring along with it new things and new points of view which are going to affect our industries. They are going to affect merchandising and distribution and every one of those things provided we recognize their potentialities.

So, in setting up any business, we have to look upon it as an everchanging servant which has to meet the demands of the particular things we have in hand.

We are doing things today that you could not imagine possible. I could give you a thousand illustrations. The difficulty is that we have not the imagination. We read the Arabian Nights and think that is a story in a book. It is not. It is a principle. Aladdin's Lamp was a story, of course, but there is a psychological principle back of that which is this—when you keep on wishing for a thing, you get it.

If you are satisfied with what you have, you stay where you are. So we need a mental Aladdin's Lamp that makes us wish for the thing we need. If it is fundamentally sound, we will get it.

We are working against a psychological thing. I want to tell you one little story because sometimes in a chamber of commerce as large as this we feel our importance and I like once in a while to have us see where we are and the great universe in which we live.

We are living on a very small speck of material associated with a sun and we call it the Solar System. In this same system in which is our sun—it is just a common, ordinary sun, not very big—there are something like four or five million, more or less, suns of the same kind.

Last year Roy Chapman Andrews found in the Desert of Gobi a great dinosaur skeleton and the geologists looking over the strata in which he found it estimated that it had been there 80 million years. They said, "It is petrified and nothing of any vitality could be existing for 80 million years."

But Harvard University has a desert astronomical laboratory down in Africa. Last year they photographed a spiral nebula. The light that affected the photographic plate in that camera last Summer left its source 100 million years ago. Light travels at the rate of 186,000 miles a second and if you reduce 100 million years to seconds and multiply the result by 186,000 miles you will have the distance in statute miles.

We're Just a Speck on Time

IN OTHER words, the light which affected that photographic plate last Summer left its source 20 million years before the dinosaur was born.

The human race has been conscious of itself for about 8,000 years. If you put that 8,000 years into that 100 million years and stir it up and turn it over to a chemist to analyze, he will analyze it and say, "that looks to me like pure time with the exception of just a slight trace of impurity"—which we call civilization.

If you would take the 2,000 years of the Christian era and dissolve it in that 100 million years, he could not ever find a trace of it. Yet we are trying to project where we are going over a period of four or five years, just exactly like surveying over two stakes sitting in the same hole.

You cannot tell what is going to happen and what you are going to do. The only thing to do is to take the fundamental, natural law and decide that you are going to be open-minded enough to recognize that things do change.

The other thing you could be open-minded about and have faith enough in is that whatever is within the range of the human mind to imagine can be done. As long as those two things exist civilization is going to progress and you and I are going to enjoy newer and better things.

What Government Asks of Business

By JULIUS KLEIN

Assistant Secretary of Commerce

WE have heard much in recent years about the intrusion of Government upon business; how hateful politicians and blustering bureaucrats have nosed their way into the marts of commerce and have set up various types of monopolistic controls and regulatory arrangements exerting a baneful influence on business. I venture to suggest the possibilities of danger of contacts between the two in the opposite direction.

Are there not certain phases of intrusion by business in the Government which might well be observed with caution? There have been times in history when intrusions by business into the affairs of Government have led to grave disasters for both parties. It seems to me that it behooves business to be unusually alert, not simply as to the manifestations of paternalism from these bureaucrats and politicians but that it be particularly watchful of suggestions of paternalism proceeding from the business organizations themselves to the Government.

Socialistic Business Man

EVERY day the Department of Commerce receives at least one major proposition of exactly this description. In all too many cases these come from otherwise sober and sensible business executives and trade associations. If we were to carry out even a small percentage of them, the budget for the Department of Commerce would be quadrupled almost over night and its agents would permeate every corner of the United States. These suggestions are paternalistic to a degree, emanating from the very elements which should be the first to discourage intrusion of this sort by the Government.

If we carried them out you would find the Department of Commerce building wheel chairs for infirm businesses from now on.

Occasionally it is our job to supply eye-glasses for industry to let it read the facts and see that the facts are there to be read. In other words, the function of the Department, as viewed by those intimately associated with it, is primarily one of discovering the major facts in any given problem, of indicating practices that have been followed by other industries or in other lands. But it is not our job to wheel along some chronically ill in-

dustry and take care of it so that its legs will wither and it will never be able to take care of itself.

We have on occasion been asked to send specialized trade commissioners abroad and we are right now in the midst of a large program of that sort. But this program is canvassed every year to make sure that these commissioners do not permanently allocate to themselves functions which the industry itself should undertake.

We get about 13,000 queries every day. A large proportion of them are highly complicated and must be carefully analyzed. We are certain to find hundreds of them that should legitimately be directed to the trade promotion facilities of private business. It is our job to make sure that private business does bear its own burden in the interest of the general taxpayer for one thing, but, more important, in the interest of the spirit and initiative of business itself.

It is necessary that business make sure that the Government is not saddled with too much to do—not called upon to undertake the collection of data that business itself should properly collect. We have had any number of instances of fine collaboration in this respect. Our experience in the past eight years is replete with splendid illustrations of the way industry responds to invitations to run its own affairs or to tell the Government how it should run the affairs of business.

One of the best evidences of this fine collaborative spirit throughout business in the United States is the fact that we have no caste of government officials.

This is no reflection on the career man in the Government. He has his place there but you find business men going into Government and government men going into business constantly and I hope to mutual advantage. Certainly we in the government service thank business for lending us such outstanding leaders as Colonel Lamont, Mr. Houghton, Mr.

Morrow and any number of others. These are all instances of the value of a close tie-up. This is a part of that fine heritage of industrial and commercial democracy which we have had in America since the beginning of the nation.

Our first settlements were laid out on principles of Government and the relations between government and industry of the most liberal type.

The very cornerstone of the Republic was founded in the cement of better business—the relationship of Government to business, so carefully stipulated in the Constitution itself.

It is gratifying that the circumstances out of which our nation grew and the various stages of its evolution all contributed to that fine individualism in business, that careful segregation of government authority so far as possible and insofar as it involved any hampering of individuality in business enterprise.

Business was glorified as it never had been before in the history of man, perhaps, and it was no longer a crime to be creative, to reach out and ex-

ploit resources and open up the way for civilization.

It should be doubly gratifying to us today that this same initiative has abundant opportunity to carry on with a minimum of intrusion or restriction by Government excepting insofar as grave public interests dictate.

The Chamber Guards Industry

THE Chamber of Commerce has distinguished itself by its operations throughout its history against paternalism, against too much regulatory inclusion of Government upon industry. Of that all of us in the government service are in accord.

But may we also suggest some little vigilance occasionally in industry itself, a little introspection on occasions to make sure that there are not too many inspirations of invitation to paternalism emanating from the ranks of industry.



Julius Klein

Farm Aid and the Cooperatives

By EDWY B. REID

OPPPOSITION to the provisions of the farm relief bills under consideration by Congress was voiced frequently by representatives of farmers' cooperative marketing associations at the round-table conference on the broader phases of cooperative marketing before the agricultural section at the Mayflower Hotel April 30.

Protest was voiced against the proposed stabilization corporations in which the cooperatives would hold stock and for whose success or failure they would be responsible. Proposed government loans to cooperatives to pay expenses of soliciting farmers to join associations was condemned, as were also those provisions of the relief bills which would give the proposed Federal Farm Board authority to establish clearing houses of marketing information.

Several speakers representing cooperatives expressed a desire for a minimum of interference and regulation. However, they frequently voiced the opinion that the Government should aid agriculture and cooperatives to the same extent that private business is assisted by the Department of Commerce, through the operations of the tariff and in many other ways.

Opposing these views, J. C. Swift, of Swift & Henry, live-stock commission merchants, declared that the "theory of cooperative marketing is perfect but it all checks back to the individual. We are operating under the baneful effect of a paternal atmosphere. Cooperative marketing will not have proved itself until it stands upon its own bottom. All old-line business desires or should have is fair play and no favors."

Like Treatment Claimed

CHARLES W. HOLMAN, secretary of the National Cooperative Milk Producers' Federation, maintained that the Government renders no service to cooperative marketing organizations that is not duplicated for private business.

"We cooperatives do not believe county agricultural agents should solicit marketing contracts for us; they should merely be informed concerning our business activities. We do not wish the Government to set up clearing houses of market information for us or organize cooperatives. In fact, we have asked Congress to clear away artificial barriers."

"We need only to apply sound business

sense to bring about conditions a little more favorable to producers on the farm," said Murray D. Lincoln, secretary of the Ohio Farm Bureau. "We feel that we have worked out a place for the cooperatives in Ohio—a place of service to 50,000 farmers."

"We handle 125 million dollars' worth of products to the advantage of our members. Our failures or our successes in rendering a service, bringing the producer a little nearer to the consumer's dollar, will tell the story in the long run."

Real Cooperative Marketing

COOPERATIVE marketing does not involve merely the gathering of commodities and selling them collectively, Charles A. Ewing, of the National Livestock Producers' Association, of Decatur, Ill., and William McComb, dairy adviser to the Arkansas Bankers' Association, pointed out. It begins with the production of the product and should be carried through to the consumer's table.

P. O. Ewing, of Louisville, Ky., pointed to the activities of the Louisville, Ky., Chamber of Commerce, the L. and N. Railroad system and local bankers in introducing pure-bred dairy stock as a preliminary to better marketing.

Discussing the basic function of the cooperative association, Charles W. Holman said, "The fundamental difference between the cooperative operating under a state charter and the corporation is that in the former one individual has only one vote regardless of the amount of stock he may hold."

"The cooperative seeks to obtain somewhat higher prices for what it sells and possibly lower prices to the consumer. It seeks to widen markets, improve products, straighten kinks between members and obtain a slightly greater share of the income of the country."

Dr. F. B. Bomberger, director of agricultural extension work for the Maryland College of Agriculture, offered the opinion that cooperation does not begin with production or selling but extends to rural life.

"Interest in cooperation is not confined to the farmers alone," he said. "The city man cannot be blind to the need for cooperative marketing and production. Best results are obtained when private business and the farmers cooperate."

"Is it better to have concerted marketing action by the farmers of a community or have 100 peddlers purchasing the farm-

ers' products and giving them very little for them?" asked Robert H. Bean, executive secretary of the American Acceptance Council.

"Well managed farmers' cooperative marketing organizations have no trouble in getting loans on their products. The Federal Reserve system is squarely behind such organizations. Poorly organized cooperatives offering their paper for loans are treated the same as any other business concern that does not have its house in order. When properly organized, farmers should be and probably will be given the help they deserve."

J. S. Crutchfield, president of the American Fruit Growers, Inc., said that cooperatives are governed by the same economic laws that govern other business agencies.

"All marketing problems are complex, usually involving transportation, selling, storage and financing. Cooperative marketing is rapidly getting into the big business class and we welcome the opportunity to exchange experiences through the offices of the United States Chamber of Commerce."

The Cooperative's Justification

"IF THEIR own business isn't worth enough to farmers for them to put their own money into it, it isn't worth while," declared John Brandt, president, Land O'Lakes Creameries, a cooperative which requires producers to invest a small amount in stock.

"A cooperative must adhere strictly to business principles, render service, and get more of the consumer's dollar. If it does these things, its existence is justified. A cooperative can't affect adversely a middle man who is rendering a service."

Speaking of government aid, Mr. Brandt stressed the need for ample federal protection against foreign competition. The same tariff views were held by W. F. Shilling, of the Twin Cities Milk Producers' Association of St. Paul.

Mr. Shilling referred to the troubles experienced by several cooperative marketing organizations before the Capper-Volstead amendment to the Clayton Anti-trust Act which legalized, or rather clarified, the language pertaining to the right of farmers to associate for the purpose of marketing or processing goods.

Nils Olsen, chief of the Bureau of Agricultural Economics, touching on this subject, declared that cooperatives cannot, under the amended Act, enhance

prices unduly without an investigation by the Secretary of Agriculture, who, if he finds prices unduly high, will issue an order to cease and desist. If this is not effective the law will take its course as with any other business concern.

Mr. Olsen considered the tax-exemption privileges enjoyed by cooperatives as largely "imaginary" since they are non-profit organizations. "The members pay taxes upon their physical properties, and if they arrive at the happy stage of paying federal income taxes, I'm sure they will be willing to pay their share."

After reciting the numerous activities of the Government and particularly of the Department of Agriculture, Mr. Olsen insisted that comparable services are rendered by the Government to private business. He also stated that the 12 Federal Intermediate Credit Banks have rendered a large service in making funds available to cooperative associations and in getting other banks to recognize the soundness of warehouse receipts offered by these marketing organizations.

Judge John D. Miller, counsel for the National Cooperative Milk Producers' Federation, declared that, "No group is

discriminated against if it is simply given laws according to its needs. No country in the world has as highly perfected laws pertaining to cooperative marketing as the United States. They grow out of a need. The individuals holding the stock in a corporation cannot meet and fix the price of the product to be sold, but the corporation acting for them can do so. Farmers as individuals would have no more to say about price than stockholders in a corporation but as members of a cooperative organization they have the needed collective bargaining power.

"The amendment to the Capper-Volstead Act was needed to permit farmers who produce severally to market as a group. The Act, however, says that a cooperative shall not sell more for non-members than for members. It was so worded to prevent cooperatives from buying and selling for profit and to restrict the business to that of the members, in the main. We fear we would be going beyond that realm should the cooperatives set up stabilization corporations, as provided in the pending farm relief bill, and deal in a great volume of business."

J. W. Shorthill, secretary, Farmers National Grain Dealers' Association, declared that the laws governing cooperative marketing in the United States are more comprehensive than those of any country and yet they could all be eliminated "for they contribute about one per cent of the basis of the success of such organizations." He maintained that the Government is justified in making expenditures to help farmers who cannot aid themselves but that it should do no more than show the farmers how to organize for mutual benefit.

Commenting on proposed federal farm-relief legislation, D. N. Lightfoot, of Springfield, Mo., said:

"I am for cooperative marketing, with reservations as to federal subsidy and immunity from application of antitrust laws. With this subsidy idea, taking money from income taxes paid by one industry and using it to foster another industry in order to put the first into bankruptcy, we have a situation not far removed from the principle of fostering one industry to prosperity and then destroying it with the idea of putting something else in its place that might not be as good."

The Trade Practice Conference

By WAINWRIGHT EVANS

THE round-table discussion on trade practice conferences, held at the Mayflower Hotel on April 30, developed into a lively tilt over the methods of the Federal Trade Commission. The net results were that everybody seemed to agree that the system of trade practice conferences was all right, and that the Federal Trade Commission was almost all right.

Just enough verbal dynamite exploded to insure a good time being had by all; but none exploded with sufficient force even to threaten the close-knit spirit of the round table.

One notable feature of the meeting was a spirited discussion which developed between Col. Nelson B. Gaskill, formerly chairman of the Federal Trade Commission, and Abram F. Myers, also a former chairman of the Commission.

Colonel Gaskill expressed himself as heartily in favor of the trade practice conference.

"The trade practice conference," he said, "seems to me the most valuable agency in self-government yet devised for industry. I have great faith in its possibilities if the Federal Trade Commission will



permit it to develop its true field of usefulness.

"I think the present policy of the Commission in this matter may be criticized on two grounds. First, the Commission is unnecessarily limiting the scope of industrial agreements. The Commission limits industries engaged in trade practice conferences to trade practice agreements which the Commission knows forbid practices that already have been found illegal, and which can therefore certainly be enforced.

"But that is not enough. Industry is entitled to make any trade practice agreement which does not unreasonably restrain competition under the antitrust laws. There is a wide difference between the limited field of agreements which the Commission can enforce, and that larger field of agreements which, while not clearly enforceable under the law, are nevertheless not in restraint of competition. This distinction is vital; and the courts have already made it clear that there is a difference between combinations in restraint of trade and combinations which seek to establish beneficial economies in industry.

"The second point of my criticism is that the policy of the Commission to modify rules which are adopted by an industry in trade practice conferences, and to make new rules for the industry, constitutes a new and unwarranted form of government regulation. Rules so modified are announced as the rules of the industry. The industry, by this system, is required to abide by rules it has not formulated, but which the Government has formulated for it.

"I suggest, as a means of changing that

situation, that there should be legislation to limit the Commission to expressing its opinion as to whether any proposed rule is or is not an unreasonable regulation of competition. Rules that draw a dissenting opinion from the Commission would be referred back to the industry for restatement. There should also be a change of law by which an approved rule would become an unfair method of competition, so that it could be tested in court."

Mr. Myers in reply declared that in his opinion the Commission has no desire to prescribe rules for business.

"It is true," he said, "that slight changes have been made in some resolutions submitted. But that was necessary because some of the rules adopted have been of a kind that would probably not be upheld by a court. The Commission is naturally and properly concerned that any rule it sponsors should certainly be enforceable under the law."

Mr. Myers, like Colonel Gaskill, appeared to feel that the functioning of the Commission ought to be made as flexible as possible, with a view to finding fresh solutions to the problems it has to deal with. He did not agree with the opinion often expressed that the legal basis of the trade practice conference is doubtful.

"It was not necessary," he said, "that there should be definite provision by statute for what is simply an administrative method. The Federal Trade Commission Act was not intended by its framers to be a rigid or a static thing. On the contrary it was purposely written in such a way that it would be as flexible as possible, to the end that there might grow up under it a body of practice which would meet the needs of modern industry. There was no other way because nobody could formulate a law capable of meeting all the complexities of the situation. Nobody knew what was needed because nobody could foresee what would happen. What we got was a flexible law, capable of expanding as it was applied."

"It was clearly wise and reasonable that the federal trade practice conference, by constantly reaching out for new ideas, should build up a body of trade usage and legal precedent which could gradually be codified in law. A too rigid interpretation of law is fatal to such a process. By constant experimentation we make progress."

Many speakers told from the floor of the results which trade practice conferences have worked in their respective industries. The general testimony was that under this system practices had been

abandoned which no individual had dared to abandon by himself; and that as soon as commercial bribery, rebates, dumping, selling below cost, and other cut-throat practices were stopped by trade practice agreements individuals in the industry began to make money. Such evidence was forthcoming from a list of industries that ranged from millwork to barber and beauty shop supplies. There apparently were no dissenters.

Christie Benet, of Columbia, S. C., who presided as chairman of the conference, said that there have been 50 trade practice conferences since the system started in 1919, that seven more are now pending, and that there has never been an appeal made to a court of record on rules which have been adopted by those 50 industries and sanctioned by the Federal Trade Commission.

Henry P. Fowler, of the Chamber's Committee on Trade Relations, acted as secretary of the meeting.

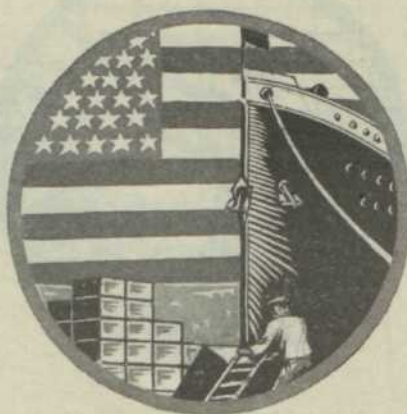
Among those who addressed the group were S. C. Gilmore, of Philadelphia; S. F. D. Meffley, of Chicago; W. E. McCollum of Chicago; William L. Sweet, of Providence, R. I.; J. E. Lockwood, of Wilmington, Del., and North Storms, of Chicago.

Expanding the Nation's Industries

By L. W. MOFFETT

Washington Editor, The Iron Age

OBSOLESCENCE of machinery is the most important question industry faces today, Prof. R. H. Lansburgh, of the University of Pennsylvania, told the 230 business men who met at the New Willard Hotel on April 30 for the round-table conference on industrial extension problems. The rapid changes in processes, the effect of new equipment in extending industry, and the replacing of men with machinery in order to increase output, reduce costs and expand markets were pointed to as factors which high-tensioned industry of today must constantly recognize if it is to keep step with modern manufacturing methods. These conditions mean quick replacement of machinery, which may have been used but a few years, by improved mechanized units. This consequently results in faster obsolescence. Indeed machinery becomes out of date so soon, in the opinion of Professor Lansburgh, that Treasury tax rules do not allow industries the deserved latitude



in writing off the item of obsolescence.

Opportunities, Professor Lansburgh said, are unlimited for industrial expansion of established plants through modernization of equipment and management. He declared that "they must get on the band wagon of modern ways and modern methods." Chambers of commerce should lead in the movement, he said.

Capt. W. E. Wells, of the Homer Laughlin China Company, East Liver-

pool, Ohio, called attention to the many factors that enter into plans for industrial extensions. He urged cooperation between local chambers and trade associations in the interests of broader information concerning these factors. Local chambers can readily obtain data concerning industries contemplating extensions from the trade associations of which such industries are members, the speaker said, and also from the Department of Manufacture of the Chamber of Commerce of the United States.

Energetic officials of local chambers seeking a new industry, Captain Wells pointed out, seldom take into account what its demands may be. The most solicitation for new industries, he said, comes from chambers in new cities. These chambers, he declared, are wasting a lot of time, money and stationery. Too often they solicit industries for which their communities are not suited.

Mr. McCullough, asked by Mr. Parr of Richmond, Calif., as to how far local chambers may go in getting valuable in-

formation for local industries from the National Chamber, explained how the National Chamber operates in supplying facts. The National Chamber, Mr. McCullough said, proceeds under the slogan that "Business wants to be informed but not instructed." The National Chamber obtains and transmits the desired information to the local chambers and lets them develop their own conclusions. Competitive conditions of industries, whether they are up-to-date or not, their facilities, and related data are supplied. Matters such as production costs and engineering problems are not dealt with, however.

In opening the discussion as to whether industrial plants are suitably located, A. L. Scott, of Lockwood Greene Engineers, Inc., pointed to the history of the great industries, such as automotive and steel, and said that their success since the World War proves they are well located. The same was declared to apply to industries generally. Statements to the effect that around 80 per cent of all factories built prior to 1920 are uneconomically located for efficient operation and marketing were declared unjustified.

Col. L. S. Horner, president of the Niles-Bement-Pond Company, New York, mentioned the importance of determining the capacity of industries it is proposed to bring into communities and measuring that capacity against the demand for their product. The American machine tool industry capacity was said to be about 40 per cent in excess of any possible demand for some time to come. It was stated, however, that some machine tool plants are operating at capacity.

Credit was given by Colonel Horner to President Hoover, when, as Secretary of Commerce, he brought about a great change on the part of industrial executives in the matter of disclosing information. The work of the National Chamber and of trade associations also was commended as having had important educational influences on executives.

Chambers of Commerce are not and should not be standardized said A. V. Snell, secretary of the Chamber of Commerce of Pittsburgh. Principles governing their efforts to acquire or build modern industrial plants largely are based on the necessity of studying needs, making sure there is a sufficient demand for such industries and cooperating with the industries in solving their problems. In expanding industries, he said, there is hardly a town that does not have opportunities.

The human factor must be considered when local chambers seek to acquire new plants, the speaker continued. There are industries, he said, which are located in places for no logical reason, yet have grown up in the communities and will not leave and shouldn't be asked to.

The value of proper living conditions, recreation, and contentment of employees was pointed to and the promotion of these was cited as a work that chambers and trade associations could well take up.

Exceedingly dangerous, Mr. Snell continued, is some of the pressure being brought to bear on local chambers to grab industries. Such grabbing was said to have become a merry-go-round affair. The best course, he said, is for chambers to build up local industries already estab-

lished and then to go out after new ones.

J. A. Gawthrop, secretary of the Chamber of Commerce of Greensboro, N. C., said that local chambers seeking to acquire new industries should first determine the state of the market for the products of such industries. Next they should ascertain if the particular firms they are considering can produce their product so as to meet competition. Furthermore, he asserted, local chambers should guard against introducing into their communities industries that will bring about labor or other disturbances. Chambers of commerce, he continued, should exercise care in the encouragement of the sale of securities of new enterprises.

Citing the experience of the Chamber of Commerce of Atlanta, Ga., of which he is a director, William Candler said that its "Atlanta Forward Movement" was based on the idea that industries should not be encouraged to locate unless there are sound reasons for doing so. Chambers should present their arguments, he said, and let the industries decide for themselves whether certain centers are suitable for their purposes.

Pointing out that the subject of plant extension has been one of much discussion, William Black, president of B. F. Avery & Sons, Inc., Louisville, Ky., and who presided over the conference, said that an old plant may add 500 men to its payroll without getting much, if any, publicity. On the other hand if a new plant that employs only 50 men is located in a community, it gets great publicity. The surest line of productivity, he said, is through the expansion of old industries.

Government and Transportation

By STANLEY H. SMITH

Washington Correspondent, The Traffic World

SUPPORT for a privately owned and operated American merchant marine was urged and political interference with the Interstate Commerce Commission in the regulation of railroad rates was condemned at the round-table conference on government influence on transportation arranged by the Transportation Department of the United States Chamber of Commerce and held in the Willard Hotel, April 30.

Fred W. Sargent, president of the Chicago and Northwestern Railway, presided and Richard Waterman, of the National Chamber, was secretary.

Discussion of ocean shipping problems centered about the report on "Handicaps to American Shipping" prepared by the

Transportation and Communication Department committee of the Chamber. C. W. Lonsdale, president of the Simonds-Shields-Lonsdale Grain Company, of Kansas City, Mo., the first speaker, declared that American business is to be congratulated on the steps the Government is taking to get out of the ocean shipping business.

Edwin H. Duff, of the American Steamship Owners' Association, told the conference that passage of the Jones-White act has done more to advance the American merchant marine than any other single thing in 50 years.

"Under the ocean mail contract provisions of the law," he continued, "the Post Office Department has awarded 24 contracts calling for 869 voyages annu-

ally and the construction, with the aid provided under the construction loan section of the act, of approximately 40 new modern vessels. While the mail contracts were of tremendous advantage, generally speaking, the legislation does not meet the needs of tramp cargo vessels."

He expressed the hope that some means would be evolved for aiding that class of vessels in meeting the increased cost of operation under the American flag as compared with operating costs of foreign competitors.

M. J. Sanders, of New Orleans, opposed this view.

"If tramp vessels under the American flag are subsidized," he said, "the revenue of the regular shipping lines purchased from the Shipping Board would

be endangered. That sort of competition should not be created."

Malcolm M. Stewart, manager of the foreign trade department of the Cincinnati Chamber of Commerce, presented a resolution commending the Shipping Board's policy in disposing of its lines to private interests. This resolution, favorably accepted by the conference, called attention to the fact that the Board has sold 20 shipping lines in five years and will probably be able to dispose of eight or ten more within the next year and a half.

The resolution favored continuation of the Board's essential lines until they can be transferred to private ownership and additional legislation passed to aid those not benefiting from the mail contracts under the Jones-White law.

Government Operation Opposed

JAMES H. MacLafferty, of the Ship Owner's Association of the Pacific Coast, expressed hope that a legislative program providing aid for cargo vessels would be ready for consideration by Congress at the regular session beginning in December. He opposed continued government operation of the Panama Railroad Steamship Company in competition with private lines under the American flag, asserting that there is no necessity for continued government operation of that enterprise.

Henry C. Hunter, counsel for the National Council of American Shipbuilders, and Emil Albrecht, of the Philadelphia Bourse, also spoke in favor of aid for cargo ships not benefited by the Jones-White act. Mr. Hunter asserted that something more direct than a mail contract seemed necessary for such vessels and Mr. Albrecht urged that the Shipping Board study the difference in cost of operating these vessels as compared with costs of foreign competitors to determine how much of a straight subsidy might be advisable.

Opinion was not unanimous as to the need of modifying the La Follette seaman's act. D. H. Barger, Sharpsville, Va., farmer, said the act must be modified or a subsidy paid. Ira Campbell, counsel for the American Steamship Owners' Association, however, declared the act was not half as bad as it had been painted and asserted that the only changes necessary were those dealing with part payment of wages to seamen on demand at ports and the watch requirements of the law. Neither of these changes would affect the seamen adversely, he indicated.

John Nicolson, director of the bureau of traffic of the Shipping Board, discussed the advantages which the present watch requirements give Canadian vessels over American vessels operating on the Great Lakes.

William B. Winter, speaking for the Association of Marine Underwriters of the United States, told the conference

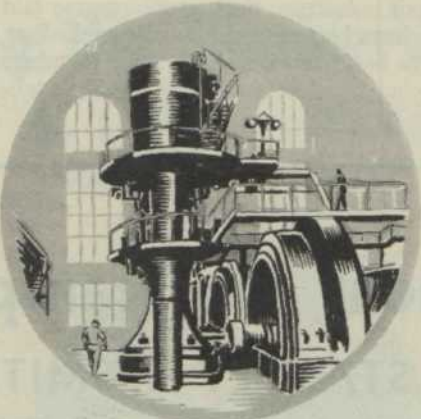
that, while the Shipping Board is getting out of the ship operating field, it is getting into the marine insurance business and providing insurance at less than cost.

"In fact," he asserted, "The Board, under the guise of insurance, is giving a subsidy of about 30 cents on the dollar."

He urged support of the proposal that the Board should withdraw from the marine insurance field.

On invitation of Chairman Sargent, Julius H. Barnes, formerly president of the Chamber of Commerce of the United States, addressed the conference. He expressed himself as immensely pleased with the progress made in getting the Shipping Board lines over into private hands on a basis promising successful maintenance of an American merchant marine.

The conference adopted a resolution offered by A. W. Robertson, vice chairman of the transportation and communication department committee, approving the recommendations in the report on "Handicaps to American Shipping" and declaring that, except a few ships considered as reserves, the vessels of the Government's laid up fleet should be scrapped or sold for scrapping. The resolution also approved the contract principle in completing disposal of Shipping Board ships; reduction in the number of Board mem-



bers when the lines have been sold, the Board to continue as a regulating agency; removal of the Panama Railroad Steamship Company from the shipping business; revision of the navigation laws; changes in the seamen's act; legislation for adoption of the Hague Rules in form suitable to American conditions; fixing of Panama Canal tolls on a basis of cost of service rendered; withdrawal of the Shipping Board from marine insurance business; necessary appropriations for the Merchant Marine Naval Reserve, and a declaration that the provisions of the model marine insurance laws now in force in the District of Columbia and several states should be adopted by all states.

Mr. Stewart opposed reduction of the number of members of the Shipping

Board and the declaration that the Board should get out of the marine insurance business, but a motion offered by him to change the resolution failed to bring forth a second.

A resolution offered by Ira A. Campbell, counsel of the American Steamship Owners' Association, calling on Congress to establish national nautical schools for the training of merchant marine officers, was also adopted.

R. C. Fulbright, of Houston, Texas, led the discussion on the railroad committee's report on the Hoch-Smith rate revision resolution. The committee, of which Mr. Fulbright was a member, analyzed this resolution and set forth several interpretations of it.

If the resolution should be finally interpreted as requiring the Interstate Commerce Commission to make rates on the basis of the condition in a given industry at a given time, the committee, Mr. Fulbright said, was unanimous in urging its repeal. On the other hand, if the resolution simply directed the Interstate Commerce Commission to make an investigation for the purpose of removing discrimination found to exist, he said, the committee believes that there is no necessity for repeal.

The committee's resolution, declaring against interference by Congress along the lines of congressional rate making with the Interstate Commerce Commission, together with the committee report, were adopted as a whole by the conference.

The tendency toward improper congressional interference with the Commission was discussed by Samuel O. Dunn, editor of *The Railway Age*, who regarded the committee's resolution condemning such action as most important.

Repeal of Measure Urged

THE Hoch-Smith resolution, in the opinion of Mr. Barger, should be repealed because, he said, it would ultimately lead to chaos. He said he opposed the resolution as a farmer. Repeal of the resolution, said J. P. Haynes, executive vice president of the Chicago Association of Commerce, would be the "ideal situation."

However, in his opinion, since the resolution was enacted ostensibly as a farm-relief measure, there would be little chance of obtaining repeal until Congress enacts farm-relief legislation.

In addition to condemning political rate-making in the resolution offered by the committee on railroads, the conference adopted a resolution opposing enactment of legislation calling for elimination of the railroad surcharge on travel in parlor and sleeping cars—called the Pullman surcharge—and for reference of that controversy to the Interstate Commerce Commission for solution. This resolution also declared against legislative rate making.

A Sane Conservation Program

By IRVIN D. FOOS

Washington Editor, India Rubber and Tire Review

THE courage of the petroleum producers in attempting to establish stability in their industry in the face of possible prosecution under the Sherman antitrust law won outspoken admiration from the representatives of other industries in a similar predicament at a round-table conference assembled April 30 for the discussion of government policies relating to raw materials and waterpower.

The lumber industry has been in the same state of mind as the petroleum industry but feared to come to grips with the Government, Judge William S. Bennet, attorney representing the Edward Hines lumber and coal interests, declared. He expressed the belief that by its courageous attitude the petroleum industry will succeed in its endeavor.

Judge Bennet explained that the petroleum industry looks upon oil production as a state question, and holds that production should be limited to estimated consumption.

"If that is restraint of trade," he said, "it is not unreasonable restraint of trade."

The bituminous coal industry is watching the oil industry hoping for light on its own dilemma, said C. E. Bockus, head of the Clinchfield Coal Corporation.

R. C. Holmes, president of the Texas Company, and chairman of the general committee of the American Petroleum Institute, told the conference that the producers feared that if they did not do something, the authorities would do it for them.

One Source of Conservation

HHE POINTED out that through the development of refining processes the industry already has conserved petroleum to a large extent but that only an optimist would not predict a shortage in 12 to 15 years. He described the present effort for conservation as the result of a growing tendency toward freedom of cooperation within the industry.

Mr. Holmes prefaced his discussion by reading the plan submitted to the Federal Oil Conservation Board by the American Petroleum Institute. That plan is predicated on the assumption that 1928 production would be sufficient to meet 1929 requirements by employing known methods for increasing gasoline yield.

The Attorney General did not approve the plan although it was not specifically



disapproved, and the industry does not know what particular features of the plan are objectionable. The Federal Board has suggested as an alternative a state compact for the adoption of uniform laws regulating the production of petroleum. This plan might overcome the difficulties of the industry, Mr. Holmes said.

"Controlled" production would stabilize the industry without particular burden on the public and the average price to the consumer over a period of years would be reduced, in Mr. Holmes' opinion. Questioned as to the method by which restriction would be applied between competing companies, Mr. Holmes said that it should properly be confined to the larger fields. In his opinion no restriction should be applied in the Appalachian field.

The policy of the new administration with respect to the leasing of government oil lands was brought up for discussion by Aaron H. Hover, of Hollywood, Calif., an independent producer operating in Montana and Wyoming. He criticized what he described as the complete reversal of the previous position of the Federal Oil Conservation Board, which coupled conservation with the development of oil resources. President Hoover's order prohibiting the issuance of any more leases involves the cancellation of leases previously granted if lessees have not complied with the terms of the lease.

In conformity with the evident sentiment in Congress, the Federal Board made no effort to force development on government oil lands, Mr. Hover said. Extensions were granted and the promise

of lenient consideration lulled the producer into a false sense of security. In view of the reversal of the procedure that has been so uniformly practiced, Mr. Hover advocated that Congress amend the leasing act to meet existing conditions. He contended that the administration might do as it liked about granting new permits but that no permits heretofore issued should be subject to cancellation on technical grounds.

"There's a tremendous difference between Hover and Hoover and I'm for Hover," declared Charles S. Thomas, former United States Senator from Colorado and one-time governor of that state.

"American industry is fed-up with conservation in all its forms and this last experiment of Mr. Hoover's is the straw that may break the camel's back."

He said he is disposed to believe that before the known supplies of oil are exhausted other supplies will be found to meet the need.

Substitutes May Solve Problems

"IF NOT," he added, "I am such a profound believer in American ingenuity that I believe we will have substitutes that will put oil out of the picture. I have observed that this has been the industrial history of the Anglo-Saxon race and I'm sure the same condition will continue."

"Everybody ought to know about bituminous coal. It has been investigated continuously ever since I have been in the business, and that is 15 years," said Mr. Bockus, when the discussion veered to conditions in that industry.

Mr. Bockus expressed the conviction that no basic industry can function properly if more than half of the well-managed concerns can show no profit on the capital invested.

He stated that coal production doubled in every decade up to 1910 but that since then the upward curve has flattened out due to the competition offered by oil and gas and greater efficiency of coal consumption. He declared that production is unlimited at a certain price but that, like any industry which is hard-pressed, the coal industry is working now only in the "cream."

Storage of coal at the mines has never been successful and production is limited by the car supply, Mr. Bockus said, adding that "there has never been a shortage

at the mines which was not attributable to labor disturbances or a shortage of equipment or a combination of the two."

Discussing the Sherman act in its relation to cooperative efforts to stabilize production, Harry L. Gandy, secretary of the National Coal Association, declared that the monopoly section of the act was given a liberal interpretation when the United States Supreme Court enunciated "the rule of reason" but that the contract section of the law has been interpreted literally, with the result that it has been construed into the realm of conjecture where any contract, agreement or understanding which by any chance might result in something unreasonable, is declared illegal.

The lumber industry has tried to see what it can do before going to Congress for relief, Judge William S. Bennet told the conference. He referred particularly to the lumber industry's cooperative advertising campaign and its introduction of methods for better merchandising of forest products and declared that we have become "forest-minded" much earlier in our history than has any other country, save Sweden and Switzerland.

"The doctrine of the sustained yield" was explained by Major R. Y. Stuart, chief of the United States Forest Service. As described by Major Stuart, the forest problem has two major phases—first, utilization of existent timber in such a manner as to bridge the gap until timber can be grown to meet the country's rea-

sonable demands; and, second, the development of lands that cannot be used except to grow trees. Certain factors in the latter problem have made progress slow, he said.

Everett G. Griggs, president of the St. Paul and Tacoma Lumber Company, urged investigation by the Government to control the ravages of the beetle.

M. O. Leighton, consulting engineer, and formerly chief hydrographer of the United States, declared that water power is obsolete in the United States. He predicted that if advances in the efficiency of fuel power production are continued eight years more, waterpower will find economical application in only a few localities. Mr. Leighton expressed the opinion that the controversy as between government and private ownership and operation of public utilities will be settled by obsolescence rather than by agreement.

Such would seem to be the case with respect to Muscle Shoals. That name rarely is heard nowadays outside Congress but Charles J. Brand, of the National Fertilizer Association, received a sympathetic hearing when he declared that the Government should not, either by subsidy or subterfuge, single out a private agency to compete with private enterprise. Mr. Brand said the chemical plant food industry now has an excess production capacity of 3,000,000 tons.

Any proposal to put the Government into business in the hydroelectric field would be absurd, Gen. Charles Keller, representing the Byllesby power inter-

ests, asserted. The entrance of the Government would confer no real benefit to the public, which would be its only excuse, and would jeopardize the investments made by thousands of people in the public utility industries, he said. General Keller stated that Federal Power Commission has served its purpose well but that no attempt should be made to regulate rates and the financial operations of permittees.

He referred particularly to the Commission's order of February 28, 1929, extending the authority of the Commission to the partial regulation of securities issued by the holders of power development permits. This order was issued to become effective May 1 but was indefinitely postponed upon the receipt of many protests.

O. C. Merrill, executive secretary of the Commission, replied to General Keller by stating that the Federal Waterpower Act has been generally misinterpreted. He insisted that the permittees have no reason to fear encroachment upon their rights by restrictive regulation.

The discussion at the conference was led by Dr. John C. Merriam, president of the Carnegie Institution of Washington. Government policies with respect to conservation of the nation's raw materials, he said, present the most difficult of all problems. He expressed the opinion that the most effective approach to their solution is through the research-education methods employed by the United States Chamber of Commerce.

Planning and Financing a City

By M. H. GLAZER

Staff Writer, Public Utilities Fortnightly

AERICAN cities are in a stage of rehabilitation. The eye-sores, bottle-necks, and cow-path highways, remnants of an earlier, non-civic day, are giving way to a conscious re-vamping that combines beauty with utility and economy. There is being developed in cities both large and small a strong tendency toward the orderly arrangement of municipalities, their streets, public buildings, schools, playgrounds and other utilities, with a view to the greatest possible comfort and convenience.

The city plan is not a new departure in municipal development. The conquering Romans had the art developed to a high degree. In fact, the comforts and cost of living in London today are perhaps influenced more by the places where the

Romans put their roads than by any other single factor. One hundred and thirty years ago, Major L'Enfant projected the physical plan for the nation's capital, and in this latter day Congress is appropriating huge sums to carry out his dream of an exemplary capital city on the banks of the Potomac. For more than a quarter century many of the more progressive American cities have been working on some sort of a scheme of civic planning.

The plan is merely the physical aspect of city building. It is just as essential, however, to municipal development as are the blue prints to the construction of an office building. The economic waste involved in the rebuilding of the business sections of a city bespeak the prime importance of a well conceived plan of development.

This and related problems of city plan-

ning and financing were discussed by eminent municipal engineers and civic leaders at the round table conference on city planning held April 30 in the Washington Hotel. Among those taking part in the discussions were Alfred Bettman, of Cincinnati; Axel Lonnquist, of Chicago; Dr. Lent D. Upson, of Detroit; Alex F. Weisberg, of Dallas; W. C. Boyle, of Cleveland; Henry D. Sharpe, of Providence, and Robert W. Elmes, of Buffalo.

No city is adequately planned, in the opinion of these experts, that does not provide for adequate highways, cross-town streets, by-paths, well located playgrounds, proper zoning and the regulation of subdivision development. All are essential to the comfort of the inhabitants and the prosperity of the municipality.

The civic plan here met the more diffi-

Burroughs



Typewriter Bookkeeping Machine

Burroughs Typewriter Bookkeeping Machine combines ordinary typewriting with many automatic features that make posting simple, fast and accurate.

It posts several related records at one time—such as statement, ledger and full width proof journal; and accumulates the totals necessary for a positive proof of correct posting.

Such features as automatic selection of columns,

automatic alignment, automatic punctuation, correction key, electric carriage return and the printing of the complete balance with a single key depression—all result in less fatigue, fewer errors, less operator turnover and greater production.

Call the local Burroughs man for more information or a demonstration on your own work. Or check the applications that interest you.

BURROUGHS ADDING MACHINE COMPANY, 6430 SECOND BOULEVARD, DETROIT, MICHIGAN

Gentlemen: Please send more information about the Burroughs Typewriter Bookkeeping Machine on the work I have checked.

Distribution ☐

Labor—materials—purchases—sales
—expense—cash

Costs ☐

As shown on stores records, payroll
and distribution summaries, cost
sheets, etc.

Accounts Receivable ☐

Ledger and statement in combination
—ledger and end of month state-
ment—with or without carbon—
skeleton or itemized

Payroll ☐

On cash or check payments

Accounts Payable ☐

Ledgers with or without remittance
advice—Journal-voucher system in-
stead of ledger—including registra-
tion of invoices

Sales Audit ☐

By clerks and departments, cash,
charge and C. O. D.

Stock Records ☐

Of quantities—values—or both quan-
tities and values together

**Journalizing and
General Ledger** ☐

Complete typewritten description and
multiple columnar totals

Name _____

Firm _____

Address _____

ADDING · BOOKKEEPING · CALCULATING AND BILLING MACHINES

cult problem of financing this development in a manner that will not burden the taxpayer. The plan, no matter how well conceived, that lacks the proper legal and financial machinery to carry it to successful fruition, lacks practicality, the speakers agreed.

Dallas, which recently projected and put into effect a ten-year program of civic development, was praised as a city which had worked out a thorough-going plan of municipal improvement and provided the money to make that plan an actuality within a comparatively brief period. Approximately \$24,000,000 will be spent, the entire sum having been authorized by a vote of the people.

American cities may be said to be far ahead of continental cities in the matter of planning long-time capital expenditures, the conference was told. While the budget system was borrowed from England, we have made greater progress in applying that system to municipal financing. In this connection speakers discussed a new science developed within recent years in this country—the science of municipal economics to which many eminent economists are devoting considerable thought. Recognizing the importance of this work to the orderly growth of municipalities, the Chamber of Commerce is assisting local governments and the organizations in working out city plans.

The conference agreed that selection of the best system of financing for a particular locality is a problem that requires individual consideration. Many cities have followed the lead of the Federal Govern-

ment in financing improvements from current revenues. The fact that about one half of the billion dollars paid by cities of more than 30,000 population for capital outlays in 1925 came from current revenues was accepted as an indication that the pay-as-you-go system, or some modification of it, already is an established fact. Whether the term of ex-



penditure should be limited to ten years or a shorter period also is a matter that apparently varies with local conditions.

The net result of the financing of a civic plan is "more value for money spent," the conference was told. The increasing values of urban properties make it imperative that the plan contemplate reasonable growth and expansion to minimize the necessity of costly condemnations at a time in the future when the plan is found

to be short-visioned. For this reason the importance of a comprehensive program at the outset was emphasized.

On the other hand, the probability of overdevelopment of a city was discouraged. To build a \$15,000,000 auditorium in a city that may not have use for such a building more than once in a decade was mentioned as a piece of civic folly. The plan should be in conformance with reasonable growth based on the municipality's location and prospects.

Civic planning and development carried to its logical conclusion will mean the amalgamation of smaller urban centers with larger neighboring groups to take advantage of the civic plan, speakers said. This is more applicable probably to the East than to the West. The newer cities of the West are less hampered by lack of space and can more economically adjust their various sections to the probable future needs.

As part of the city plan, it was advocated that building of subdivisions should be under regulations of municipal authorities so that the subdivision will fit in with the plan of highway development.

In the final analysis, American cities, their business men and civic leaders have come to a keener appreciation of the meaning and value of civic development. City building means more than the mere development of a so-called civic center. It means the planning and construction of the city's public buildings, its highways, schools and centers of work, play and residence to provide the greatest possible comfort to the population and to provide ready access to and from those centers.

The Challenge of the Chains

By WILLIAM BOYD CRAIG

Associate Editor, Nation's Business

WILL mass distribution supplant the old-fashioned type of individual store-keeping?

Around that familiar question ranged the discussion at the Domestic Distribution Department's round table on mass merchandising. The method of approach was new, but the absorbing idea which seems to be interesting the majority of the 500 representative distributors who attended is still mass merchandising and its effects on the small merchant. The idea is not new, but the dress was modern.

Chairman John H. Fahey, of Boston, publisher of the *Worcester Post*, opened the session by calling on Godfrey M. Leb-

har, editor of *Chain Store Age*. Mr. Fahey remarked that as Mr. Lehar had taken the chain-store side in recent debates, he believed him qualified to start things moving in a provocative manner.

Mr. Lehar spoke of the benefits the chain store is bringing to the community by aiding in the elimination of inefficient retailers. He told the assembly that the chain store is, in his opinion, the best system of efficient merchandising yet devised, and is likely to keep up its growth, as it has the public support. In closing, he welcomed the new type of "voluntary" chain into the chain-store family. He referred particularly, he said, to the organization headed by J. Frank Grimes, president of the Independent Grocers Al-

liance, of Chicago, which he said was modeled rather closely after the chain plan.

Mr. Grimes then told the group that chains were skimming the cream from the small communities in America, as retail profits had for generations been the basis of local prosperity. Retail business must always be a local business, he said. He credited the chains with pointing the way for independent retailer success in many instances.

Mass buying is not a copyrighted idea, Mr. Grimes said, in sketching the work his organization is doing through its 55 wholesale and 12,000 retail outlets. Manufacturers are sometimes as unintelligent as retailers are supposed to be, he said,

MR. TRUCK OWNER:

HERE ARE *NEW* INFORMATION SOURCES

on all
HAULAGE
PROBLEMS



**MEDIUM- and HEAVIER-DUTY
BUICK - powered**
More power and speed than you'll ever need /// Vibrationless smoothness and flexibility /// New work-capacity and work-speed /// 33 different basic STRAIGHT RATING CAPACITIES, \$1395 to \$3315.

**FOR HEAVIEST DUTY
BIG BRUTE - powered**
STRAIGHT RATING CAPACITIES—28,000 lbs. \$4250 and \$4350.

(Above prices, chassis only, F.O.B., Pontiac, Michigan)

ACCEPT THIS OFFER: A Real WORK TEST

We provide gas, driver, and any General Motors Truck (whatever available model, chassis or body most closely meets your haulage-needs). Use them for an adequate test. Prove, in your own work, what General Motors Proving Ground tests have shown these trucks will do. Tests provided through our 55 branches and distributors. If you don't know nearest source, write for immediate information.



FACTS and information of practical

value to the truck-owner are one product of our quarter century (plus) experience in transportation by truck.

This counsel is yours for the asking. On any haulage or delivery problem—no matter how unusual or how commonplace.

It is up-to-date, modern information. From valuable and unusual sources:

- 1) Constant study of all principal lines, of business and industry.
- 2) Experience of tens of thousands of General Motors Truck owners: records, figures, facts.
- 3) Results of thousands of work tests of General Motors Trucks, accurately kept, analyzed and compared. Such tests constantly going on, under our "Work-Test" offer. (Do you know about it?)
- 4) The extraordinary engineering and research advantages this company enjoys: General Motors great Proving Grounds, and General Motors Research Laboratories, for instance.

LIGHT DUTY

PONTIAC - powered
A great engine made greater /// 10% to 30% greater actual performance /// Four-wheel brakes /// Stronger throughout /// Longer, huskier chassis /// 7 different basic STRAIGHT RATING CAPACITIES—(Prices, chassis only, F. O. B., Pontiac, Michigan): \$625 to \$1085.

THIS information has cash value for any truck-owner. Equally valuable, in considering any truck-purchase, is knowledge of the Buyers' Safeguards around which GENERAL MOTORS TRUCK policies center. These things are yours to command—by mail, or personal contact. (Time payments are financed at lowest available rates through Y.M.A.C. plan.)

GENERAL MOTORS TRUCKS

GENERAL MOTORS TRUCK COMPANY, Pontiac, Michigan
Factory branches, distributors, or dealers in 1500 principal cities and towns

ALWAYS INVESTIGATE WHAT GENERAL MOTORS HAS BEFORE YOU BUY

When buying a GENERAL MOTORS TRUCK please mention Nation's Business to the dealer

in that they give chain stores their best weapons, cut prices, by selling at too great concessions.

A storm of debate was threatening, when W. T. Grant, chairman of the Board of the W. T. Grant Company, a chain of nickel to a dollar specialty stores, remarked that he had heard the word "fight" used too loosely.

"I see no fight between the chain and the independent," he said. "Somewhere there is a right. I suspect that such a right exists for each type, each within its own field. I have been engaged in both types. I began as a store, not as a chain. I worked all the hours a day that I could, and used all the intelligence I had.

"We succeeded not only in licking the other stores of the town, but the chains as well. Demands for more stores of our type grew, and we are now scattered all over the country. I have become, I am told, one of those devils with horns, a chain-store executive.

"Big business is only a lot of little businesses, with the experience and cooperation of all. There are evils in the chains, as there are in everything. The worst of these today are rotten financing, uneconomic practices, and the contemptible practice of selling without profit. Most of the critics of chains miss the essential points entirely. There is too much submentality engaged in saying things about the chains which are misleading and irrelevant. Every type of merchandising should devote most of its energies to finding the right of its own existence. Economics will take care of the rest."

Fred P. Mann, of Mann's department store, Devil's Lake, N. D., asked the independent retailers present to forget loyalty and sectional interest as a plea for local business. The survival of the fittest is the only law working in selling, he said, and suggested that energy should be spent in making for greater fitness. The solution for harried retailers may be found in something like the Grimes plan, he said. Mr. Mann is a former director of the National Chamber.

"Independent" a Misnomer

"THE 'independent' in the phrase 'independent retailer' is a poor label in many cases," said E. M. West, of Dodd and West, Marketing Counsellors, New York. "In far too many cases he is a dependent. He is dependent on the manufacturer and the wholesaler. They are carrying him because of their own unintelligent attempts at selling.

"Of the 79,000 retail grocers surveyed in the Distribution Census, 28 per cent are taking in but \$39 a week. There is no profit there for the wholesaler or the manufacturer. The merchant must depend on them to carry him. Of the next 18 per cent, the volume of sales is but \$78 a week. That means about \$16 a week on which the storekeeper must operate and live. It isn't in the wood.

"Far too many are engaged in misleading the public. Inefficient retailers purport to render a service, yet they do nothing of the kind. No man has a right in business unless he delivers some value to the public. Merchandise is not the only thing sold. With every article must go a service. That service must carry with it a charge, just as the material itself does.

"The chains are no menace. The Grimes plan is operating just as effectively in eliminating the inefficient retailer as is the chain. Neither does it offer universal salvation to the independent.



"There is unprofitable business in every firm to a degree. The question is, 'What shall we do about it?' The answer, I believe, lies in the Department of Commerce. It is now equipped to carry on unit cost studies. The Wholesale Conference held last week under the auspices of the National Chamber, recommended that the Department's activities be extended. When all the facts are in, we may be able to tell just what it costs to do business, which we cannot do now. We had never known the volume of any commodity for any community until the Distribution Census was taken. Business has done remarkably well without the help of definite information about what it was doing. Better merchandising can only be possible after knowing what the facts really are."

L. M. D. Weld, of the H. K. McCann advertising agency, New York, said that his researches had led him to believe that salvation for many distributors lay in the way of more intelligent market analyses. Better figures on buying habits and buying power are vital, he said. Stores are unconsciously classifying themselves as mechanical, such as the cash and carry; the semi-chain, or voluntary chain, with partially standardized methods; and the complete service outlet, catering to the needs of the community in a thorough fashion. A better understanding of which group the individual store falls into would be helpful to many owners, he said.

In response to an inquiry, Mr. Weld said he believed that the tendency of mass distributors was toward a wider acceptance of nationally advertised goods. He cited the Atlantic and Pacific chain as an

example. W. T. Grant remarked that in his chain the tendency seemed to be toward more nationally advertised lines, where they could be handled at a profit. He said that in using private brands they opened themselves to the charge of pushing their own merchandise.

Avoid Advertised Lines

ON THE other hand, Earl Sams said that it is now the very definite policy of the J. C. Penney Company, of which he is president, to get away wherever possible from the nationally advertised lines. He said his company is trying very hard to sell merchandise and not brands. Mr. Grimes said that his organization disregarded advertised brands because of the slender margin of profit possible on many of them.

Nelson Taft, editor of the *Retail Ledger*, of Philadelphia, took the floor to say that there should be a distinction between the storekeeper, the retailer and the merchant. He asked that only the inefficient be referred to as "storekeepers"; that the term "retailers" be applied to those in a middle position, who sold merchandise only; and the word "merchant" be reserved for the small group of effective and efficient business men who run their establishments with their own brains.

E. A. Filene, president of William Filene and Sons, Boston, reminded the assembly that those present were bound together by a common bond, regardless of the form their activities took. He said that all were trying for the same goal—a reduction in the costs of distribution. Not a dollar of value is added to merchandise once it leaves the producer, he remarked, although the price is usually doubled and sometimes more is added.

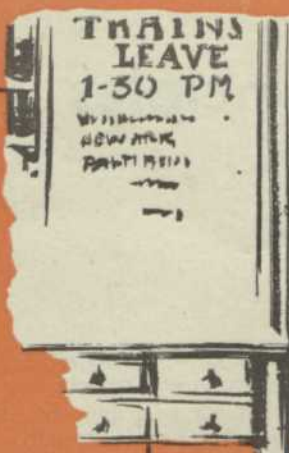
Harvey J. Campbell, vice president of the Detroit Board of Commerce, said that General Motors had discovered that it could not make money unless its dealers did, and so controlled those dealers in such a way that it could make sure they would make a profit. "There was something for the independent wholesaler to think about in continued fighting for more profits for customers," he said.

Do the chains support local chambers? This question came up, but the warmth of former discussion was lacking.

R. W. Lyons, secretary of the National Chain Stores Association of New York, said that within a few years the question would no longer be a bone of contention.

"Chains are growing fast, and it is but one of the problems of management which cannot be settled in a hurry," he said. "More and more chains are getting their policies in regard to local chamber and other organization support worked out. In a short time the question will be settled by most chains, to the advantage of the communities."

E. D. Borden, manager of the National Chamber's Domestic Distribution Department, acted as secretary.



We cordially invite anyone interested in the manufacture or sale of fractional horsepower motor appliances to inspect personally our factory and facilities.

Selling *that comes* AFTER *the Sale*

From our plant to your plant goes a Domestic engineer . . . and from your plant, perhaps, he goes into the field to observe a Domestic-equipped appliance under actual working conditions. He is, if you please, a traveling executive, representing the "motor department" of your business.

We believe a study of appliance problems *after* the sale is just as important as the research and development work that *precedes* it. In operation, this policy means constant contact with principals of the Domestic organization . . . a constant effort to improve the motor, the appliance and the application.

The Domestic Electric Company, in short, is equipped not only to design and manufacture special motors best suited to any particular need, but to advise and assist in the manufacture and marketing of the appliances themselves.

The unusual character of this sales service accounts for the high efficiency and dependability of Domestic-motored equipment . . . and results in important economies for Domestic users. This fact is reflected in the steadily growing list of appliances powered with Domestic fractional horsepower motors.

THE DOMESTIC ELECTRIC COMPANY
7209-25 St. Clair Avenue Cleveland, Ohio

Domestic
FRACTIONAL HORSEPOWER
Electric Motors

SMALL MOTOR MANUFACTURE • APPLIANCE ADVISORY ENGINEERING

(140)

Business Studies Tariff Principles

By ROBERT B. SMITH

Washington Correspondent, Philadelphia Public Ledger



THE wide range of opinion within the United States Chamber of Commerce on the tariff issue was well illustrated by the proceedings at the round table conference devoted to tariff principles at the Mayflower Hotel. Virtually every branch of commerce was represented in the discussion and practically no phase of the tariff question was overlooked in the course of a spirited debate which developed.

Manufacturers, farmers, exporters, importers, all capably presented their views which covered such subjects as "The Tariff and Industrial and Agricultural Stability," "The Flexibility of our Tariff," "Parcel Post with Cuba," and "The World-wide Movement to Abolish Export and Import Prohibitions and Restrictions."

There seemed to be agreement in favor of the principle of protection but there were many conflicting opinions as to how that principle should be applied. There was a general note of caution against setting tariff duties too high lest they have an unfavorable reaction upon America's foreign trade. Such was the tone of a brief and impromptu address by Julius H. Barnes, chairman of the board of the National Chamber.

"Adopt for yourselves," said Mr. Barnes, "a fair and honest principle of tariff and stick to it. But American business, if it is honest, as I know it is, in seeking tariff protection, will not overstate its case. If it does, it will bring upon itself the reprisals of the world."

Increased Flexibility Urged

THE discussion was opened by H. L. Derby, chairman of the Tariff Committee of the National Association of Manufacturers. He described the protective tariff as the wellspring of our industrial prosperity and pointed particularly to the progress made since the enactment of the Tariff Act of 1922. The inability of Congress to consider any one item in the tariff schedule without opening up the entire schedule for readjustment has had an unfortunate effect, Mr. Derby continued. Constantly changing conditions necessitate these readjustments, with the result that with each new administration there is an attempt at general revision, with attendant unsettling effects.

"The remedy for these conditions," said

Mr. Derby, "is through a change in the so-called 'flexible section' of the Act, which now permits the President to raise or lower the duty on any given article only if the Tariff Commission finds the cost of producing the article in the foreign country justifies the change. But the necessity for such a change lies not alone in the cost of production; all the factors of competition enter in and should be taken into account in fixing the proper rate of duty.

"If the President were empowered to take into account all these elements, always under the direction of Congress and with the advice and assistance of the Tariff Commission, then the tariff truly would be flexible and would meet the changing conditions in American industry without the necessity of a general revision each time a new condition arises."

The agricultural point of view was presented by A. M. Loomis, secretary of the National Dairy Federation. Tariff protection, he said, seemed now to be a clearly established American principle. The last presidential campaign, he pointed out, has demonstrated that both parties favored it. He called upon his audience, however, to remember "that a completely effective protective tariff produces little revenue" as the rates act as embargo and shut out imports.

Mr. Loomis expressed the view that "the scientific tariff—whatever that is" is still far off. Congress, he thinks, is not ready to let go the strings of final decision in the making of tariff rates. It objects to delegating all of its tariff-making powers to the President by broadening the executive authority under the flexible provisions. Nevertheless, Mr. Loomis said, he is convinced that the flexible provision of the tariff law is here to stay.

Mr. Loomis declared that the agricultural interests strongly favor the protective tariff principle but explained that they were just as strongly committed to the doctrine of "protection for all or protection for none."

The tariff on butter, he said, has been a boon to the dairy industry. It has enabled the dairymen to keep "an even keel and make some money" while other branches of agriculture were in distress. Competition from Cuba, the Bahamas, and elsewhere has taken all of the profit out of the growing of winter vegetables, but he predicted this would be remedied in the new tariff act.

Doesn't Slide Down

G. R. PARKER, former president of the American Exporters and Importers' Association, found much to criticize in the operation of the flexible tariff plan. He said that since it was enacted in the Fordney-McCumber law of 1922, there had been relatively few reductions downward and those on unimportant articles. Manufacturers abroad do not welcome the Federal Tariff Commission's investigators who are sent to gather evidence of production costs, he declared. The investigations preceding action under the flexible provision, he said, sometimes takes so long that conditions have changed by the time they are completed.

"American industry may need protection but let it be free from restrictions which are the continued annoyance and irritation of American importers," he said. "Let us remember that continued prosperity depends on fair exchange of commodities in which both buyers may profit."

C. Oscar Ewing, representing the Decatur, Ill., Association of Commerce, briefly described the viewpoint of the livestock producers. Manufacturing, he said, is getting 125 per cent more protection than agriculture.

"We are asking no special favors from the Government in the form of a \$500,000,000 farm relief fund," he said. "All we want is equality."

O. K. Davis, Secretary of the National Foreign Trade Council, read a resolution adopted by his organization at its meeting in Baltimore to emphasize the importance of our foreign trade.

The National Foreign Trade Council held that "international balancing of trade



RAY LONG, President of the International Magazine Company, Inc., one of the many business leaders who insist on quiet offices



CONFUSION is too costly for the modern business office. Business leaders are paid to think. And whether they gaze into the future, forecasting the destinies of industry or consider questions of immediate import—they demand Quiet.

For Quiet permits that concentration of thought which gets things done—effectively and efficiently.

Listen for a moment to the noises of an average office! 'Phones jingle, typewriters clatter, chairs squeek and voices buzz, while heels pound hard floors and the din of traffic comes up from the street. Nerve-racking sounds disturb thought, cause costly mistakes and reduce the value of a day's work, when every minute means dollars.

Now, let us look into the office of a great executive. Carpeted floors hush the sound of footfalls. Blotter-like, they absorb all jangling noises in their soft fabrics and give soothing quietness that lets you think clearly and completely on all the day's problems. Men whose brains direct huge enterprises appreciate the luxury and beauty of carpeted floors. But more than this, they're grateful for the Quietness that Mohawk carpets bring.

Mohawk has carpets that will Quiet-ize your office. Its 21 colorings in Broadloom fabrics, and Chenille carpets offering infinite variety in color and design, are ideal for office use, combining soft beauty with economy and long wear—and endless Quiet.

MOHAWK RUGS & CARPETS

should not be prejudiced by any procedure which might invite serious retaliatory action. We must not retard the natural inflow of goods by which our foreign customers can pay in their own products for obligations incurred and for purchase of goods. We should continue the policy of fair and considerate encouragement of the consumption here of foreign products required in the normal expansion of our own industries and for the benefit of our people."

J. J. Phoenix touched on the extension of American manufacturing and production facilities into foreign lands and pointed to the dangers of throwing down the tariff bars to foreign merchandise.

"The farmers have won their case," A. Cressy Morrison, of New York, declared in discussing the proposed increase in duties on agricultural products. He explained that manufacturing interests are working with agriculture toward higher duties and pointed out that labor, too, is cooperating.

Adoption of the American valuation plan was urged by H. V. R. Scheel, of the Botany Consolidated Mills, Inc., New York.

"Theoretically speaking, the ideal duty is a specific duty," Mr. Scheel said. "It is expressed in cents per unit and is based

fundamentally upon a proper relationship as between the American conversion cost and conversion cost abroad. Any form of *ad valorem* duty includes, at least as its base, the sum of the cost of material and the cost of workmanship, or conversion. The ideal is therefore the specific duty; and the next most satisfactory is an *ad valorem* system which is based upon American valuation.

"If, as transpires in my own line, the same goods can be made in England, Japan, France, Czecho-Slovakia, Germany and Austria, then surely there is something wrong with the system of foreign valuation which charges the Englishman, whose cost and foreign value is \$1, 50 cents duty, and imposes on the same article produced in Austria, with its foreign value of 80 cents, only 40 cents duty.

"It would seem as though a continuation of foreign valuation would provide an incentive to countries having low standards of living to send their exports to America. The whole system of foreign valuation works in reverse, in other words. With a low standard of living, low wages, and low costs, you have low duties. With a high standard of living, high wages, and higher costs, you have a high duty."

Malcolm Stewart, manager of the Foreign Trade Department of the Cincinnati

Chamber of Commerce, declared that "the only people worrying about the tariff were those who were too lazy to put efficiency and energy into their business." In explanation, he said that many branches of American industry, notably automobile manufacturing, had made themselves so efficient that they are not afraid of foreign competition and therefore do not care for tariff protection. In this connection, Mr. Rice, assistant to the president of the General Motors Corporation, said he was proud to represent the only industry that had ever asked Congress for a reduction of a tariff on its product.

Charles O'Connor, of Oklahoma, favored the protective tariff principle but reminded the conference that there has developed in America a large reservoir of capital whose interest is best served by having no tariff protection.

"Let's have protection," he said, "but don't let's go wild. Remember that if we make our rates too high other nations can collect it back by an export duty on things we can't produce.

"And don't kid yourselves; don't go back home thinking the tariff is solved because it isn't."

Charles W. Lonsdale, president of the Simonds-Shields-Lonsdale Grain Company, of Kansas City, Mo., presided.

Charting the Financial Dangers

By CLARENCE L. LINZ

Chief of the Washington Bureau, New York Journal of Commerce

DOES the rising volume of brokers' loans in the United States constitute a menace to the orderly conduct of American business? Should the Federal Reserve Board intervene to stem the tide of investments? Would not a public investigation, under congressional auspices, to determine the facts concerning the brokers' loan situation be unwise, but might not such a study be properly undertaken by the Federal Reserve Board?

These were some of the problems advanced at the round-table conference on business finance and the credit supply, held May 1 in the Washington Hotel. John G. Lonsdale, president of the National Bank of Commerce, St. Louis, presided, with John J. O'Conner, manager of the Finance Department of the Chamber, as secretary.

All speakers agreed that nothing in the present situation compels the Federal Reserve Board to restrain the use of credits because of the absence of supply. There



was a division of opinion as to whether the Board should intervene to safeguard against future mishaps. There was accord that untoward action by Congress, either through legislation, ill-considered probes,

or use of its powers to influence action of the Board should not be countenanced.

The apparent viewpoint of the Federal Reserve Board with respect to the credit situation, as indicated by its operations, received alternate condemnation and defense.

Prof. O. M. W. Sprague of Harvard argued that the present situation is unusual.

"The supply of available credit in the United States is ample," he said. "A large amount of unused credit is available through the Federal Reserve system, since the reserve ratio is high and would permit, without any loss of strength, additional loans providing a large amount of additional credit. There is nothing then in the situation, as I see it, that compels restraint because of an absence of supply."

Prof. Sprague pointed out that, from the standpoint of business, there are none of the ordinary indications that restraint in the extension of credit is needed.

On the other hand, he said, rates for



***"It can't be done", said the
aeronautical world
... BUT FOKKER DID IT!***

WHEN Western Air Express, backed by the Guggenheim Fund, prepared to establish the world's model passenger airway between Los Angeles and San Francisco, their staff laid down the equipment requirements which they believed necessary for a dependable and profitable operation.

The specifications called for an airplane combining high cruising speed, moderate landing speed, generous pay load capacity, and other features of comfort and economy never before built into any aircraft.

All of America's best known airplane builders were invited to bid on the production of these planes. Some refused to even attempt to build such a ship. Some offered to attempt it, but without guarantee of success.

Fokker read the specifications ... and guaranteed unconditionally to meet them.

The Fokker F-10 is the result. It has not only met, but exceeded every one of the requirements. In a year of service for Western Air Express between Los Angeles and San Francisco, these ships have set absolutely perfect records. Western Air Express now operates 14 of them. Already more of these ships are in commercial service than any other plane of their capacity in the world.

They furnish added proof of what has been demonstrated many times before during the past twenty years ... *that Fokker designs and construction set the highest standards known in the world of aviation.*

OTHER commercial lines using Fokkers are Universal Aviation Corporation; Texas Air Transport; Standard Air Lines; National Parks Airways; Pan American Airways; Western Canada Airways; Dominion Airways.

FOKKER AIRCRAFT CORPORATION OF AMERICA

Factories: WHEELING, WEST VIRGINIA, and TETERBORO AIRPORT, HASBROUCK HEIGHTS, NEW JERSEY
Address inquiries NEW YORK OFFICE, 110 EAST 42nd STREET

all classes of loans have been moving steadily upward for more than a year. He said it is common knowledge that the Federal Reserve Banks have, for more than a year, exercised a considerable restraint in the extension of credit.

"Speculation in securities is not without its virtues," he said. "It provides a market for outstanding securities and fills an economic need in the process of rediscounting values and reflecting changes in conditions of business enterprises."

Professor Sprague expressed the belief that the "speculative fever" is in part based on the high reserve ratio coupled with the view that the Federal Reserve Banks will take no further decided action.

"The high ratio of the Reserve system," he declared, "creates a special situation which I am disposed to think would require special and rather drastic action if its effect is to be neutralized."

Professor Sprague said he did not anticipate that such drastic action would bring about a panic. He declared the present market could endure a six per cent rediscount rate and an anticipated increase without a panic.

W. F. Gephart of the First National Bank of St. Louis expressed a doubt that very much yet is known of just what relation the credit supply of the nation has to the security market, nor whether too much or too little is being used in that market.

He branded erroneous the "belief of a growing number of people that all the capital going into the security market results immediately in frozen credits."

He explained that much of this capital represents a legitimate economic use of

the money, extension of industrial enterprises, increased production of goods, and increased demand for labor.

"In view of present conditions, it is the poorest time possible to expect, either in an administrative or a legislative way, that we are going to be able to devise any particular method to control the situation."

In the opinion of Fred J. Kent, formerly vice president of the Bankers Trust Company, New York, there is no question that unfortunate legislation governing the use of credit might have a serious effect on the business and banking prosperity of the United States as production might be curtailed and commerce harmed thereby.

Any development that might have such a marked psychological effect on the general public as to bring about unnecessary curtailment of business, he indicated, also would be serious, even if the contemplated legislation should ultimately fail of adoption by Congress.

Mr. Kent pointed out that the first control of a situation such as now seems to exist is in the hands of the bankers and brokers, who, as prices have gone higher and higher, have constantly increased margin requirements. This has been carried out so effectively, he said, that a great menace has been removed from the market and "it would take a perpendicular drop of many points to uncover sufficient margins to cause a wholesale dumping of securities on the market with the attendant losses and probable failures that would ensue together with a shock to business that would almost certainly result in the slowing down of production."

Waddill Catchings of Goldman, Sachs

& Company explained that the changed policy of the Board has manifested itself in a statement to the banks that the rediscount privilege is not a direct privilege of the banks based on the eligibility of the paper or the solvency of the banks or paper, but is to be dependent on the "opinion" of the Board as to whether rediscount privileges should be extended. He stated that the banking structure of the country has been built around the Reserve system, and asserted his belief that it cannot continue to function so long as there is doubt about the rediscount privilege.

Under such a situation, he argued, a banker cannot pursue a proper, courageous policy in loaning his bank's funds because the paper he takes from the customers may not be rediscountable under the Board's interpretation. He alleged that a government by opinion is thus being introduced into the banking world.

Harry A. Wheeler, vice chairman of the First National Bank of Chicago, suggested that all business action is based largely on opinion. He supported the Board in its position.

He advocated greater conservatism in the issuing of new securities, saying the market already is having great difficulty in digesting securities already issued. He told the conference that higher rediscount rates, in his opinion, would not stem the tide of speculation. On the other hand, he warned, an increase in the rediscount rate would adversely affect business. A more normal credit condition could be brought about, he said, by the cooperation of bankers and business men with the Federal Reserve Board.

Business Considers Insurance

By BERTRAM F. LINZ

Manager, Technical News Service

COMPULSORY automobile insurance has been proved conclusively to be a failure as a means of increasing highway safety, has afforded politics a new football, and has materially increased fraud and litigation, delegates were told at the round-table conference on life and property conservation, during which the results of two years' enforcement of the Massachusetts law were analyzed.

The reduction of accidents, fire prevention and improved public health, the meeting was told, have an economic side closely paralleling the humanitarian in importance, but experience in Massachusetts has demonstrated forcibly that safety cannot be achieved by legislation.

Business men are rapidly awakening to the dollars' and cents' value of reducing the waste of life and property through fire, sickness and accident, and through the work of the National Fire Waste Council and the National Conference on Street and Highway Safety are making progress in bringing down the losses from fire and accident. But recognition of the monetary value of improved public health has been slow in developing. To meet this need, plans for a campaign under the leadership of the Chamber to reduce the loss from preventable illness were laid before the conference.

The proposal that the Chamber undertake a nation-wide campaign to improve public health through competitions simi-

lar to the Inter-Chamber Fire Waste Contest and based upon the experience gained in fire and accident prevention work, were outlined by Dr. Henry F. Vaughan, health commissioner of Detroit, supported by Dr. T. L. Parran of the United States Public Health Service and Dr. A. J. Lanza of the Metropolitan Life Insurance Company.

Introduced by P. W. A. Fitzsimmons, president of the Michigan Mutual Liability Company, Detroit, who served as chairman of the conference, Clarence A. Ludlum, vice president of the Home Insurance Company, New York, and newly-elected insurance member of the Chamber's Board of Directors, sounded the keynote of the discussion on fire preven-

INTERNATIONAL

EXPERIENCE SPEAKS



"By reducing our hauling costs to exceptionally low figures International Trucks have had an important bearing on our profits"

This unsolicited testimonial, based on the costs sheets of a great business, gives the facts about International Trucks and International Service in a nut shell. You couldn't ask for a better reason for using them in your business.

This endorsement comes from the Hathaway Bakeries, Inc., whose headquarters are in Boston. In New York and New England they operate 196 International Trucks, and experience speaks when they say:

"We have found the International Harvester Company a splendid organization with which to do business, and further, that our great fleet of International Harvester Trucks, by reducing our hauling costs to exceptionally low figures, has effected economies which have an

important bearing on the profits of our business."

We could tell you of the years of manufacturing experience that goes into every International—of the punishment given to experimental models on our testing grounds—of the improvements that are constantly being made in the line—but the proof of it all is in the profits these trucks are producing for their owners.

So go to an International Branch or dealer—there is one near you—select the International that meets your requirements—there is one for every hauling need. Try out the truck on your own job and you be the judge. There is no obligation.

The International line includes the Special Delivery for loads up to ¾-ton; the 1 ton Six-Speed Special; 4 and 6-cylinder Speed Trucks of 1¼, 1½ and 2-ton sizes; Heavy-Duty Trucks ranging from 2½-ton to 5-ton sizes; Motor Coaches, and McCormick-Deering Industrial Tractors. Sold and Serviced by 172 Company-owned Branches in the United States and Canada, and dealers everywhere.

INTERNATIONAL HARVESTER COMPANY

606 SO. MICHIGAN AVE. OF AMERICA (INCORPORATED) CHICAGO, ILLINOIS

INTERNATIONAL TRUCKS

When writing to INTERNATIONAL HARVESTER COMPANY please mention Nation's Business

tion work, urging that there be aroused in this country the spirit of personal responsibility for fire which in Europe has resulted in laws holding individuals responsible for fires on their property.

"We must educate ourselves to regard every preventable fire as an occasion for public criticism and concern," he said.

"Our instinctive indifference to danger from fire may date back to the fire-worshipping days of the race, but is out of place in the modern world," said Richard E. Vernor of Chicago, speaking for the National Fire Waste Council.

Paxton Mendelssohn, of the Detroit Board of Commerce, warned the conference that fire prevention work, since it necessitates the cooperation of the public, industry, and city, state and federal officials, is an undertaking slow to show definite results, and should be sponsored only by those willing to work long and hard without being discouraged.

Nevertheless, discussion of the question developed, there is rapidly growing up in this country a sentiment against unnecessary fire loss, evidenced by the fact that the number of communities reporting in the Fire Waste Contest has increased from 70 in 1923 to 374 in 1928, with concrete results in the form of a steady diminution in the loss of life and property.

Modern methods of fire fighting have made conflagrations almost impossible, but the loss from individual fires is still tremendous and is felt by retailers, distributors and manufacturers in every line of industry, both directly, through their own losses, and indirectly, through the reduced purchasing power of others.

"The so-called 'Massachusetts experiment' in compulsory automobile insurance has signally failed, both as an accident prevention measure and as a protection for injured persons," said E. C. Stone of the Employers' Liability Assurance Corporation, of Boston. "After two years' experience with the law, the general dissatisfaction with the measure is evidenced by the 40-odd bills for its repeal or material modification submitted to the state legislature this year."

Law Fails as Safety Measure

THE increase in the number of accidents since its enactment has proved the law inadequate as a safety measure, the conference was told, and the field for "commercialization" and fraud has been opened wide; the "ambulance chaser" is reaping a harvest, as is indicated by the increase of 127.7 per cent in the number of suits filed, and the failure of the statute to cover property damage has resulted in many "physical injury" cases as the only way to recover for damage to cars.

Admitting that the law has the bad features charged against it, W. J. Constable of the Massachusetts Automobile Bureau, told the conference that victims

of accidents who could not otherwise have collected damages have been reimbursed through its operation.

"Driver responsibility is far preferable to compulsory insurance as a safety measure, and protection, not reimbursement, should be the watchword for such laws," said Owen B. Augspurger of Buffalo, chairman of the American Automobile Association committee which drafted legislation followed in statutes of New York, New Jersey and Rhode Island.

Explaining the "Three A" law, Mr. Augspurger declared the irresponsible motorist is barred from the highway, which is not done by the Massachusetts law, while the careful driver is not penalized by being required to take out a liability policy at the high rate caused by the inclusion of the undesirable risk, as is the case in Massachusetts. The careful motorist desiring protection may obtain, at a reasonable premium, a policy which protects him anywhere in the United States or Canada against accident on private or public ways, and against both personal and property damage.

"There is a pressing need of effective action to check the toll of automobile accidents, which last year resulted in 27,000 deaths and an estimated 1,500,000 injuries," James T. Haviland of Philadelphia, vice president of the Lumbermen's Mutual Casualty Company, declared.

"States and communities are proving

slow to adopt the plan of the National Conference on Street and Highway Safety for the reduction of accidents by uniform traffic regulations, yet the multiplicity of regulations encountered by motorists almost as soon as they pass the limits of their own city is a factor in a large proportion of accidents."

Stolen Cars Cause Huge Loss

DR. JULIUS H. PARMELEE, director of the Bureau of Railway Economics, spoke of the work of the National Conference on Street and Highway Safety and Prof. Albert W. Whitney, of the National Bureau of Casualty and Surety Underwriters, discussed the progress of accident prevention through education.

John J. Hall, also of the Underwriters' Bureau, declared that failure of the average motorist to keep his car in good mechanical condition was responsible for many traffic accidents.

Insurance companies' losses through stolen cars were discussed by Orville Davies, of the General Exchange Insurance Corp., and Frank Seydel, assistant general counsel of the National Board of Fire Underwriters. Insurance firms paid out \$20,000,000 last year to reimburse owners whose cars had been stolen, usually through their own failure to use the locking devices developed at great expense by automobile manufacturers, Seydel said.

What Commercial Aviation Offers

THE Future of Commercial Aviation" was the topic discussed at the Second Annual Aviation luncheon meeting of the National Association of Commercial Organization Secretaries held at the Willard Hotel, May 2.

The best methods of stimulating and encouraging aviation and the community advantages to be expected from such a program were discussed by speakers prominent in aerial development.

Important suggestions were given by William P. MacCracken, Jr., Assistant Secretary of Commerce for Aeronautics, and United States Senator Hiram Bingham, of Connecticut, president of the National Aeronautic Association. Both urged local airport developments and improvements as a primary need of aviation.

Secretary MacCracken told the meeting that no American city has yet developed a model airport. He said that he hoped the first such airport would result from the deliberations of the joint congressional committee seeking an airport for the District of Columbia and asked those present to urge their congressmen and senators to support the committee's report when it is submitted.

Mr. MacCracken told the gathering

that more local and state chambers of commerce should inaugurate state aviation tours similar to the national air tour that is annually proving a great success in making the public air-minded. Local industries and industries devoted to aircraft supplies can often be persuaded to sponsor such state tours by air, he said, and suggested that business men will often find the industry centered around an airport a market for their own products.

Senator Bingham spoke along much the same lines. Aviation, he said, has already proved a real aid to business in speeding up mails and express and in providing, or promising to provide, faster passenger services. It is the duty of every town, therefore, to provide an adequate landing field, even if it cannot have a fine airport, the Senator said. He suggested that the secretaries visit Oakland, Cleveland or Buffalo to see just how airports should be developed.

"American manufacturers are building the best and safest planes in the world," Senator Bingham said. "The Department of Commerce will soon begin rating flying schools for the training of young men and women to become pilots. The states should adopt the necessary restrictions for safe flying, and the be-

THE QUICK

SURE ROAD to INCREASED SALES

Select your logical prospects. Get your sales message before them quickly, convincingly, often. No waste effort. No guess-work. You *know* you are reaching the people you want, when you want to reach them.

Thousands of concerns are doing it every day in every line of business. Retailers select the customers they want in their town or neighborhood. Wholesalers "cover the trade" intensively in any territory. Manufacturers contact their sales outlets often and pave the way for their salesmen.

Addressograph products and Addressograph methods will make it possible for you to increase sales. They will form the foundation of a low-cost, accurate program of direct-mail advertising that gets results. Why not do what others in your line of business are doing right now?

The Addressograph representative is an experienced man. He can give you valuable assistance. He will help you prepare a list of logical prospects or revise your present list. He will help you work out methods of profitable advertising. Call him in and discuss the entire matter. Or mail the coupon and detailed information will be sent to you.

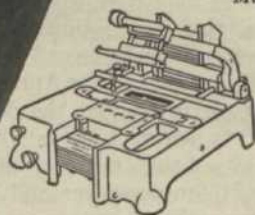
Sales and service agencies in the principal cities of the world.

ADDRESSOGRAPH COMPANY, 909 W. Van Buren Street, Chicago

Canada: Toronto, Vancouver, Montreal

European Head Office and Factory: London, England

Manufacturers of Graphotype Addressograph Dupligraph Cardograph Speedammat



Model F-2 Electric — \$375. Handles name and data writing on all forms thru a ribbon, 2,000 to 3,000 an hour. Other electrically operated models from \$285 to \$575. All prices F. O. B. Chicago.

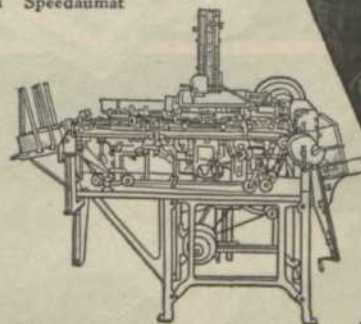
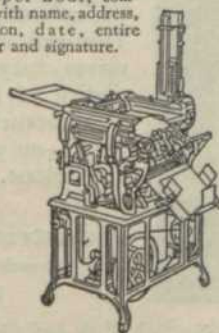
Model H-3 — \$75. Imprints names or data, 1200 to 1800 impressions an hour! Other hand operated models from \$20 to \$105. All prices F. O. B. Chicago.



Cardograph — \$57.50 F. O. B. Chicago. Produces 1500 messages on post cards in an hour!



Dupligraph — Model D-3 — Leased at \$65 per month. Prints 2,000 letters per hour, complete with name, address, salutation, date, entire letter and signature.



Model A-4 Automatic Feed — \$2,025. Imprints an almost unlimited variety of forms, 7,500 per hour. Other automatic machines from \$485 to \$13,000. All prices F. O. B. Chicago.

Mail with your letterhead to

ADDRESSOGRAPH CO.,
909 West Van Buren
Street, Chicago, Illinois.

Please advise how Addressographs will increase my sales and reduce my operating expense.

6-29

Addressograph

TRADE MARK

PRINTS FROM TYPE

SERVE THE GROWING SOUTHWEST MARKET
FROM DALLAS—THE CENTER*

WHAT IS THE SOUTHWEST?

*What does it
offer you?*



GEOGRAPHICALLY, "The Southwest" comprises a group of four Southern and Western states—Texas, Oklahoma, Arkansas and Louisiana. Commercially, it is a market empire—one of America's greatest unit market zones, with more than 12 million population and annual buying power of over 6 billion dollars.

Figuratively, "The Southwest" denotes a young, growing country, with a youthful spirit of ambition and progress. Having tremendous, largely undeveloped, resources—in basic raw materials, in fuel, in available labor—the Southwest presents American industry with manufacturing opportunities such as existed in the North and East 25 and 50 years ago. Opportunities to grow with a growing market!

"A Complete Market Analysis of Dallas and the Great Southwest," which we have prepared for business executives, is based on the surveys of leading Eastern industrial engineering firms. This book is invaluable to executives charged with the responsibility of locating sales or manufacturing branches. Write for it—on your business letterhead, please.

Industrial Dallas, Inc.
1428 Chamber of Commerce Bldg.
DALLAS

Dallas

Southwestern Headquarters to American Business—1,892 national and sectional concerns maintain branches in DALLAS.

ginnings should be made in local communities with adequate flying facilities."

A speech that aroused keen interest was made by C. S. (Casey) Jones, of the Curtis Flying Service, a veteran aviator who is regarded as one of the crack pilots of all time. Mr. Jones predicted that the extension of passenger-flying service in this country would soon place us in the lead of the world. Europe is now ahead in this branch of flying because its passenger lines are subsidized by the respective governments. They have thus had ten years of development.

"The European lines," said Mr. Jones, "are well advertised and well managed and charge very little more than do the railroads or steamship lines."

"Our mail and express services are out of the red and now the transport operators are going into the passenger business. Part of the problem of passenger flying is up to the manufacturers. They must turn out planes with pay-load capacities sufficient to make passenger flying cheap and also profitable."

Specialists in Night Flying

THE Curtis executive said that American planes now fly more routes at night than do all the European countries together. He predicted night passenger flying on schedules within a short time.

The Third Assistant Postmaster General, W. Irving Glover, traced the growth of the air mail and emphasized its importance in stabilizing air transportation as an industry.

"Last year, the Post Office Department paid out \$1,046,000 to air-mail contractors," he said. "Thus far it has spent \$19,000,000 in the development of the air-mail service, and this year the appropriation for this work is \$12,434,000. In 1918, the year the Post Office Department instituted the air mail, only 77,000 pounds of mail were carried. One day in April this year about 76,000 pounds were carried, and a record poundage of 575,000 is estimated for April."

Mr. Glover predicted that the day is not far distant when mail clerks will be stationed in the giant transport planes now being built for passenger and mail carrying just as they are now carried on trains and steamers. He said that the twice-a-day transcontinental air-mail service now in operation must necessarily remain the backbone of the air-mail structure, although other transcontinental routes will be established and many new "feeder" air postal routes instituted.

Other speakers were Miss Amelia Earhart, first woman to fly the Atlantic, and Miss Eleanor Smith, who recently established an endurance record for women. Both emphasized the necessity of enlisting the aid of women to put over aviation projects. Miss Smith said she regarded her own 26-hour flight as an effort to attract more women's interest in flight rather than as a stunt.

*
GEOGRAPHICAL CENTER
TRANSPORTATION CENTER
DISTRIBUTION CENTER
RAW MATERIAL CENTER
POPULATION (LABOR) CENTER
FUEL AND POWER CENTER
INDUSTRIAL CENTER
FINANCIAL CENTER

Business and the Farmer

(Continued from page 20)

offer a fertile field for study and effort. In this the business man shares an equal responsibility with the farmer. To me, a farmer, it looks like a good many middlemen and retailers might well be eliminated.

Why do we need a filling station on every corner, or two butcher shops where one could more than handle the trade? A more direct route from producer to consumer might cause some fellows to lose their jobs; but permanent progress has been made only by sacrifice on the part of some.

Many of our marketing and transportation costs would be eliminated if more factories were located in the Middle West. Factories should be brought to the raw materials, laborers to their food supply. The congestion of population in our large cities is a dangerous condition. Similar congestion preceded the fall of Phoenicia, of Carthage and of Rome.

Working together, agriculture and industry may be able to adopt proper policies. No half-way measures will do. No subsidy or other palliative will suffice. The source of the evil must be uprooted. The agricultural industry must be considered from the standpoint of each of its products as well as the industry as a whole. A few years ago the wheat farmers of the Dakotas were in distress. Money was loaned that they might diversify. Hogs and dairy cows were bought and distributed. The Dakota farmer was made a safer risk but the Iowa hog-raiser and the Wisconsin dairyman had added competition. Such a process merely robs Peter to pay Paul. It does not look at agriculture as a whole.

A permanent agriculture must give enough immediate returns to assure the farmer the ordinary comforts of life and the maintenance of fertility of the soil.

We Need Cooperation

I DO not know what legislation the Congress now in session will pass. I believe that it should be framed according to the wishes of President Hoover, for he is the one whom the farmer will hold responsible for either its success or failure. None of us know just what the effect of this legislation will be on agriculture. Until it has been given a fair trial or until something better has been suggested we, as farmers, bespeak from business a sympathetic attitude. Even if this legislation is not just to business men's liking they should not urge a presidential veto. They should remember that the farmers' success is theirs also. We have the desire to purchase those things which they have to sell. All we need is the means to do it. Our relations are inseparable and, in the last analysis, our interests are one.



▲▲▲ Customers appreciate
the thoughtfulness that sends
goods home *safely* in strong,
dependable, moisture-resisting
GATOR-HIDE KRAFT!



ANOTHER CERTIFIED PRODUCT OF

INTERNATIONAL PAPER CO.

(SOUTHERN DIVISION)

MAIN SALES OFFICE: 100 East 42nd Street, New York, N. Y.

MILLS: Bastrop Mill, Bastrop, La.; Camden Mill, Camden, Ark.

Louisiana Mill, Bastrop, La.

(Under Construction) Mobile Mill, Mobile, Ala.

Traffic of the City and Its Trade Area

By HAROLD F. LANE

Washington Editor, Railway Age

PROBLEMS incident to the enormous expansion of motor traffic in cities and adjacent areas and the necessity for careful and thorough planning to develop adequate street and storage facilities for the future were discussed at a round-table conference on the "Traffic of the City and Its Trade Area" held at the Willard Hotel May 1. A. J. Brosseau, president of Mack Trucks, Inc., presided.

Alfred Reeves, general manager of the National Automobile Chamber of Commerce, told the conference that the makers of motor cars see no "saturation point" limiting the production of automobiles except as to a place to put them and that there is every evidence that the number of cars will increase.

"Traffic regulation and control systems in many communities need to be put on the 'go' instead of on the 'stop' basis," said Mr. Reeves, in opening the discussion. "There is too much tendency to forbid instead of finding out a satisfactory way of getting results."

"Every city should have some executive or commission responsible for traffic, aided in communities of 100,000 or more by the constant researches of a traffic engineer. Chambers of commerce should take active part in this program."

"An absolute parking prohibition would kill retail business in most cities. Half hour parking should be the minimum in most places."

"City zoning should give broader permission for garages. The old style 'nuisance' garages have been replaced by modern handsome buildings."

The Proper Clearing House

"BROADER highways, by-pass roads, and grade separations are among the ultimate remedies. City planning and zoning will contribute more when merchants take a more definite interest. Generally speaking, the chamber of commerce is the best clearing house for such a movement."

"The value of a regional plan is to tie together the street programs of the various suburbs and other jurisdictions in a metropolitan area. Voluntary action alone is not likely to get results."

"To base city street programs primarily on a so-called trade area basis is a mistake. In a metropolitan program, it is sensible to locate the roads according to the most efficient pattern because trade will hold up along the highways. The



problem is to connect the suburbs, provide by-pass roads around congestion, and tie up state highway systems.

"From that point of view the question of assessing benefiting property usually must be determined in each special circumstance. It is not wise to recommend a specific rule on this point."

Alfred Bettman, of the Cincinnati Planning Commission, said that a check made in that city showed that 70 per cent of those who parked their cars in the downtown district were transacting business within 200 feet. He favored limiting the time for parking and prohibiting parking in certain areas in rush hours.

James P. Barnes, of Louisville, Ky., president of the American Electric Railway Association suggested that motor traffic in cities may be considerably expedited by speeding up the street cars. He said that in the average city only 22 to 30 per cent of the shoppers go to the stores in their own vehicles, while 50 per cent or more go by street car.

"Therefore," he said, "it seems fitting that a street railway transportation man should say something in behalf of the street-car riders. Streets are not designed for storage spaces and congestion is brought about by overloading the arteries of traffic and then narrowing them by parking. In a majority of cities the street cars limit the speed of traffic and yet few communities have endeavored to increase the speed of street cars."

Peter Abrams, of the Chester Street Association, Philadelphia, Pa., said that the rigid enforcement during recent weeks of the ordinance prohibiting parking in

Chester Street has caused many complaints from the merchants and that a study shows the plan is not satisfactory. He advocated central parking places.

Edward E. Gore, of the Chicago Association of Commerce, said that the prohibition of parking from 7 a. m. to 6 p. m. in a restricted area in Chicago is working satisfactorily although at first merchants thought it was reducing business.

Providing for 9,000,000 Cars

J. W. BINDER, secretary and treasurer of the Bergen County, N. J., Chamber of Commerce, told how that organization is planning to cope with the traffic problem that will confront it when the new \$60,000,000 bridge across the Hudson River from New York is opened in 1931. It is estimated that 9,000,000 motor vehicles will then be turned into the county.

The county Chamber of Commerce was organized to deal with the problem and a series of arterial highways has been projected and is now partly under construction to handle the increase in traffic. This includes a main highway 124 feet wide and three lesser highways in different directions. On the main highway the minimum speed limit will be 35 miles per hour. There will be no maximum. The work is being financed by the state and the county.

E. L. Stone, chairman of the City Planning Commission of Roanoke, Va., exhibited a series of maps and described a plan for a series of radiating arterial highways with circumferential connecting routes proposed for that city.

Dr. J. Gordon MacKay, director of the Cleveland Highway Research Bureau, emphasized the importance of planning for highway development based on facts ascertained by actual traffic analysis.

M. D. Lincoln, executive secretary of the Ohio Farm Bureau Federation, spoke of the farmer's interest in adequate traffic routes between city centers and their outlying trade areas. He described the formation in Ohio of a state-wide organization representing all the large tax-paying groups which has adopted a ten year program of highway development.

The principle that the user should in the main finance the building of roads, is in general sound, he said, but there is also a place for the issuance of bonds to avoid overburdening the present generation and the assessment of abutting property should be carefully considered.



Mural by Arthur Covey. Wood block engraving by Howard McCormick

HEAT, TERRIFIC HEAT, and the electric furnaces give us abrasives — hard, sharp, tough. More heat, through the medium of huge kilns, scientifically applied and controlled, bonds the abrasive into Grinding Wheels, Refractories, and Floor and Stair Tiles — all factors in the industrial world.

NORTON COMPANY, WORCESTER, MASS.

NORTON

Grinding Wheels
Grinding Machines



Refractories~Floor
and Stair Tiles

To whom will you entrust



Practical training first. The experts shown above train all new men in the practical field work. Every new man must go through a thorough course of training and be proved out—no untrained men are ever used. These selected instructors are men of character, intelligence, and professional attitude

Tumbling Team—Davey Institute of Tree Surgery, 1928-29. Davey Tree Surgeons are athletic types. They are carefully selected with the idea of physical fitness. The nature of the work and their training make them more so. In addition to intelligence and character, they have physical energy; that is why they are diligent workers



LET us talk about *your* trees. They are living things, subject to disease, decay, starvation, insect attacks, mechanical injury and other ills. They are priceless to you—only time can replace them, long time at that.

Just for the moment, think of the most valuable tree on your place. Suppose it is starving. Wouldn't you, in self interest, insist upon scientifically trained experts who know what to feed it, and how, and when—without guessing or experimenting?

If this priceless tree is decaying in the trunk or limbs, and is growing steadily weaker, liable at any moment to break off or break apart in any high wind, wouldn't you entrust its treatment only to men with proven scientific knowledge and real personal skill?

If *anything* is wrong with that tree—and dozens of things might be wrong, because it is a living, breathing organism—wouldn't you demand reliable experts who are trained to diagnose tree troubles? Certainly proper treatment cannot be given without correct diagnosis.

You can trust Davey Tree Surgeons with a feeling of confidence and satisfaction. They are carefully selected and reliable men. They are thoroughly trained and have real demonstrated skill. They are educated scientifically in the Davey Institute of Tree Surgery, the only school of its kind in the world. They know how to diagnose the ailments of trees. Their knowledge and skill are based upon a half century of Davey experience. They are backed by a responsible business organization.



Scientific Training. A laboratory class at the Davey Institute of Tree Surgery—using high-powered microscopes and dissecting lenses to learn the sciences relating to their work. They must know the scientific reasons for all the things that they have been trained to do skilfully



Practical Training. This is a class learning the important art of saw filing at the Davey Institute. Every man is taught how to keep his tools sharp and in proper condition. Sharp tools mean good and rapid work. Practical training plus science means efficient service

your priceless trees?

Surprisingly low cost

In 1928, Davey Tree Surgeons served 21,608 clients from Boston to beyond Kansas City and from Canada to the Gulf. 76 per cent of these clients paid less than \$100.00 each. The following table tells the story.

17,022 clients paid less than \$100.00 each

2,223 paid from \$100.00 to \$200.00 each

1,642 paid from \$200.00 to \$500.00 each

721 clients paid more than \$500.00 each

You can afford to employ the expert, reliable service of Davey Tree Surgeons for your trees. They will do as much work as you want—and no more. They will do their work right—they will save any tree that can be saved—they will give you professional and conscientious service. There is no charge except for working time, plus the necessary materials and expressage.

Davey service is local

Davey Tree Surgeons live and work in your vicinity. They are almost as conveniently located as your dentist or doctor or surgeon. They are not sent from Ohio for your individual work—they are trained in Ohio, but they live in your vicinity and work regularly for other nearby people.

Write or wire Kent, Ohio, for examination of your trees without cost or obligation. Permanent representatives are located in principal cities; the nearest one can serve you conveniently.



Everyone who sees Davey Tree Surgeons at work in the trees says, "They climb like squirrels." They certainly are remarkable climbers—they are trained to it. They get around in the trees with surprising agility and speed. But they use ropes—never injurious climbing spurs—to facilitate climbing, to prevent accidents, and to protect trees, wires and other property. They have diligence, speed, accuracy and a trained knowledge of their work.



The Student Body of the Davey Institute of Tree Surgery, 1928-29, numbers 446 splendid young men in the Freshman, Junior and Senior classes, all selected from the proven men who have already been thoroughly trained in a practical way. The purpose of this resident school is to provide scientific knowledge and accuracy to supplement the practical skill that

is given in the field training. This gives balanced education—Davey Tree Surgeons know both how and why. The Davey Institute of Tree Surgery has been in continuous operation for twenty years, the only school teaching the science of Tree Surgery. The Faculty of the Davey Institute of Tree Surgery includes 37 scientists and master Tree Surgeons.



JOHN DAVEY

1846-1923

Father of Tree Surgery
Reg. U. S. Pat. Office

DAVEY TREE SURGEONS

MARTIN L. DAVEY, President and General Manager

THE DAVEY TREE EXPERT CO., Inc., 198 City Bank Bldg., Kent, Ohio

Protecting the Older Worker

By LYNNE M. LAMM

Washington Correspondent, Daily Metal Trade

WHILE some difference of opinion was shown as to the best method of pensioning employees, all those attending the manufacturers' round-table conference on Employer-Employee Relations agreed as to the practicability of old age pensioning for industry. Retirement plans, various speakers asserted, pay actual dividends to industry.

As the final result of this conference it was indicated that the cost of maintaining older workers is inevitable whether it is hidden or paid as a pension. Practically all the leading industries, it was also shown, are doing something about a pension plan.

It also seemed to be the consensus of opinion that contributory plans are increasing. It was shown, too, that the trend of industrial society seems to be toward increasing the economic security of the worker.

L. S. Horner, president of the Niles-Bement-Pond Company, of New York City, was chairman, and E. W. McCullough, manager of the Manufacture Department of the National Chamber, was secretary of the conference.

Mr. Horner stated that the subject of retirement plans for employees and the readjustments caused by mechanization in industry is one of the most vital now before the manufacturer and the consumer. Executives, he told the conference, are studying pension plans, but the matter should have been taken up 20 years ago.

Two Kinds of Pension Systems

HE asked for a discussion of the recent developments in pension plans in industry as well as other retirement systems.

Glenn A. Bowers, of Industrial Relations Counselors, Inc., New York City, pointed out that there are two kinds of pensioning systems, the private or company plan and the public plan.

He said that his organization, on the basis of reports which it has received from 194 companies having 2,500,000 employees, has estimated that at present there are at least 80,000 pensioners of industrial and business concerns, receiving approximately \$50,000,000 annually in retirement allowances.

E. S. Cowdick of New York, a recognized authority on pensions, expressed



the opinion that nobody ever earns a pension.

"But benevolence is no longer the principal motive for the pension," he said, adding that the pension should be a part of the policy of industrial management and it should bring about better morale and greater efficiency.

Homer Ferguson, former president of the Chamber of Commerce of the United States, told the conference that his shipbuilding company has had a pension system for 15 years. All industries have a pension system whether they know it or not, he pointed out. Every company some time or other has to take an old employee from his job and find one less strenuous for him. In his new place he slows up production and is more of an expense to the company than the actual pension would be, Mr. Ferguson said.

He told the delegates that his company has always stood the full expense of the pension system. At this time it has between 70 and 80 on the pension list and they cost about \$50,000 a year.

"If I were planning the system now," Mr. Ferguson said, "I would work it out so that the company and the employee shared the expense of the system. The pension system helps the morale and good feeling of the employees."

H. B. Gilmore, of the Western Electric Company, told the delegates that the real object of the pension system is to purge industry of people who are no longer able to perform their duties.

"Industry," he said "should do everything possible to assist these men and to free them from their worries. It should educate and advise them along the lines of supplementing their pension so that when they have to retire they will

have nothing to worry about. A thrift program should be worked out to assist workmen in making investments and helping them purchase homes. No thrift plan, however, should be made compulsory. I do not favor group insurance or contributory pension plans."

"The establishment of a pension plan," said J. C. Clark, of the Southern Pacific Railway Company, "should be approached with fear and trembling. It takes time and study. First of all any corporation wanting to start a pension plan should ascertain what it expects to accomplish and then take up the matter of the cost. Most of the railroad pension plans were set up without thinking of the cost beyond the first year."

"Pensions cost one railroad \$25,000 the first year but in a very few years that same road was paying \$1,000,000 annually to maintain the pensions. No pension plan should keep an old man from being employed nor should there be a compulsory retirement age. Many men from 65 to 70 have plenty of mileage left in them yet."

How the Bell Plan Works

E. W. R. ABBOTT, president of the Illinois Bell Telephone Company, Chicago, said that the Bell System has had a pension plan in effect for 16 years with compulsory retirement at 65 years. The employees pay nothing toward this fund and there is also a disability pension fund.

"The company," said Mr. Abbott, "has tried to help the employee to realize that he must retire at 65 and that he should have a supplemental income at that time. The plan has worked out very well."

Magnus W. Alexander of the National Industrial Conference Board said that, in his opinion, the pension plan has paid the employers in actual dividends. The employer, he pointed out, is now competing with legislatures some of which have passed compulsory laws.

"Shall we sit by," Mr. Alexander asked, "and let the legislature demand compulsory pensions or shall we take hold and solve the situation? When the Government makes it compulsory it will be more wasteful and expensive."

Roderic Olzendam, of New York, also expressed the opinion that industry should take hold of the pension problem

You can work longer and better when you - - *pause and refresh yourself*



The Coca-Cola Co., Atlanta, Ga.

The big men in business are all hard workers—when they work. And they work plenty. But they get their power and drive from following the example of athletic sports in taking “time out” for rest Just a brief minute here and there through the busiest day to relax—let go everything—forget the strain—relieve the tension—to pause and refresh themselves with ice-cold, tingling, delicious Coca-Cola. A little minute that’s long enough for a big rest You don’t have to be thirsty to enjoy Coca-Cola. It’s a good thought when you’re tired. It’s a better thought before you get tired. It gets you off to a fresh start that will carry you merrily on.

The Best Served Drink in the World

A pure drink of natural flavors served ice-cold in its own glass and in its own bottle—the crystal-thin glass that represents the best in soda fountain service; the distinctive Coca-Cola bottle, sterilized, filled and sealed air-tight without the touch of human hands. Coca-Cola!



**OVER 8 MILLION
A DAY**

IT HAD TO BE GOOD TO GET WHERE IT IS

rather than let legislatures make it compulsory.

"The cost of pension systems," he said, "should be a part of the operating costs of industry."

The speakers pointed out that only within the past five or six years has attention been concentrated on the ultimate cost to the company of the pension system. The majority of existing plans were established without adequate understanding of the potential expense involved.

The motives which originally impelled private employers to inaugurate pension systems were as complex and as diversified as were the provisions of the individual plans which they established. Until recently the most commonly accepted purposes of a pension system, it was pointed out, were to relieve the poverty of superannuated workers, to provide a tangible reward for long and faithful service, to maintain a loyal contented working force, and to reduce labor turnover.

When it was found, however, said the

various speakers, that the operation of the retirement plan made possible the honorable discharge of aged persons who were no longer able to perform their tasks creditably, these early conceptions of the purposes of the pension system began to assume secondary importance.

The Revolution of Mechanization

OPENING discussion of the second topic of the conference, "Readjustments Caused by Mechanization," Mr. Alexander outlined the advances in mechanization during the last century and declared that the question of the effects of mechanization, in its ultimate application, "is what will happen when men cease to labor with their hands and turn over physical production entirely to mechanism."

"Application of power," he said in speaking of mechanization's present-day effects, "may temporarily throw certain numbers out of work, but the long-time economic effect is an economic saving, an increase in national wealth, income and

purchasing power, and increased employment. We could not feed, clothe, house and transport our present population under the old-fashioned methods of production.

Another problem raised by mechanization, he said, is the human factor in industry. Mechanization has not, however, he contended, eliminated the craftsman in industry. The machine, in the long run, takes over the purely repetitive, monotonous functions and relieves man of such tasks.

Mr. Mueller, of Decatur, Ill., said that the problem of disposing of laborers displaced by machines is one that is facing most industries.

H. C. Parmelle, of the McGraw-Hill Publishing Company, discounted the seriousness of the problem and said that the ingenuity of man in this country always had taken care of such problems and would likewise meet this one.

Leifur Magnusson, of the International Labor Office, declared that mechanization has been exaggerated as a cause of unemployment.

Growing Responsibilities of Business

(Continued from page 16)

answer may be somewhat briefly defined as follows:

The American protective tariff. The President of the United States has recently stated a principle of tariff protection which has clearly been crystallizing in the business opinion of America as that which is right and just, namely, the measure of protection which will represent the difference in living standards and wage scales between America and its competitors.

Conscientiously applied, there is no basis for exclusion, but rather the establishment of an equal chance in American markets, which is all American business is inclined to ask, and to which every phase of American industry is reasonably entitled.

In government regulation, the only spirit that can be justified is that of fairness and the equal chance. In regulating industry, there must be left a field of opportunity which will attract to that industry the same energy and initiative applied in other private fields, else the public interest suffers. We want a minimum of bureaus, a scarcity of gold-lace and red tape.

So also in legislative and administrative regulation of our great arteries of commerce we need ability and vision devoted to the solution of the new problems of communication. The responsibilities of business leadership in this field rest

in not asking of those stewards of public interest anything unfair or selfish, and there rests also on every community the responsibility to aid public opinion that will treat regulated public servants fairly and generously.

In industries that handle exhaustible natural resources business leadership must guard against the profitless exhaustion of natural treasure.

In agriculture sturdy self-reliance should not be forced to submit to the hazard of experiment dictated by idiosyncrasies of individualistic legislators. There is a happier day ahead for agriculture if there can be set in motion, without political menace, the play of forces which have been proven sound in other lines, but which are effected through voluntary co-operative effort and not by imposed legislation.

In public taxation, we need in authority the realization that tax burdens unnecessarily applied stifle effort and ambition. One of the responsibilities of business leadership is to ascertain that each dollar levied by government authority shall bring its full measure of value in the spending.

In the field of finance and credit there is need for the highest type of business responsibility. No preconceived financial concept; no prejudice against new forces called into being by the extraordinary well-being of a great people, should influence the great engine of credit on

which all industry must rely. Eras of speculative excess will bring the application of their own penalty on the individual judgment. The responsibility of business leadership is that we shall find a way in which credit for orderly everyday business and industry shall be available with a minimum of force or pressure.

Five years ago the annual meeting of this Chamber adopted 15 Principles of Business Conduct. These are as good today as they were then, for they are fundamentals of rightful relations in the business world. Study them. Support them.

One year ago this Chamber reaffirmed its confidence in the general integrity and sound ideals of modern business, and condemned individual departures from such ethics.

Organized business today has a larger measure of public confidence than ever before largely as the result of such evidences of a growing confidence in business responsibility.

It is for business leadership to maintain these standards; to make them a living and vital force in the field of business.

In this field looms the future vast in possibilities of individual human welfare. It is the responsibility of business leadership to keep that future possessed of public confidence, animated by the desire to discharge that responsibility fairly.



Guaranty Trust Company of New York

a merger of

National Bank of Commerce
in New York

Organized 1839

Guaranty Trust Company
of New York

Organized 1864

**Capital, Surplus and Undivided Profits,
more than \$184,000,000**



THE MERGER of these institutions on May 6, 1929, is a logical fusing of resources, facilities and organization. The increased capital funds enable us to meet the constantly expanding requirements of modern business. Our enlarged Board of Directors is representative in an exceptional degree of the nation's industrial, commercial and financial interests.

The outstanding result of the merger will be to provide facilities of even greater advantage to our clientele, in every phase of banking, trust and investment service, than were available through the merging banks operating separately.

MAIN OFFICE: 140 Broadway

FIFTH AVENUE OFFICE
Fifth Ave. and 44th St.

MURRAY HILL OFFICE
269 Madison Avenue

MADISON AVENUE OFFICE
Madison Ave. and 60th St.

LONDON

PARIS

BRUSSELS

LIVERPOOL

HAVRE

ANTWERP

When You Consider a FACTORY SITE

These are the decisive factors:

**Raw Materials
Economic Market
Power and Labor**

BECAUSE these factors are reported on favorably by those who investigate Salt Lake City, many of the country's most ably managed manufacturers have established branch factories here in recent years.

At Salt Lake City you have ready access to practically every raw material needed in modern industry. Utah has 210 different minerals, in virtually unlimited quantities. It is the greatest western mining state, and leads all states in silver production, is second in copper, third in lead, fourth in zinc, fifth in gold. It is already established as the iron state of the West, with blast furnaces making pig iron here from Utah ores. Its stores of coal are practically inexhaustible.

Farm, orchard and livestock products of Utah rank with the finest in the land.

And a significant thing about it all is the fact that Utah's resources, though proved, are as yet only in the infancy of their development. Here is wealth untold, waiting for capital and enterprise to use.

A prosperous and growing market of 2,000,000 consumers, is most economically served from Salt Lake City. Adequate railway, highway and airway facilities assure speedy shipping. And all parts of this market look to Salt Lake City as the middle west looks to Chicago—its metropolis and commercial capital.

Cheap power is provided by coal, hydro-electric systems; and, this Fall, Natural Gas will begin serving Salt Lake City.

Labor is plentiful. Living conditions are ideal, making for permanency and contentment of labor.

Investigate! Mail the coupon today.

CHAMBER OF COMMERCE, DEPT. NB-2,
Salt Lake City, Utah.

Please send further data on Salt Lake City as a location for branch factories and distributing headquarters.

Name

Address

City.....State.....

SALT LAKE CITY

The Chamber Curbs Fire Waste

By ROLLIN M. CLARK

DETROIT, Mich., with the best record among the 374 cities submitting reports, won the grand award in the Inter-Chamber Fire Waste Contest for 1928. Erie, Pa.; Lakewood, Ohio; Owensboro, Ky.; and Albany, Ga., made the best records in their respective classes.

Bronze plaques to award their efforts were presented to representatives of the business men's organizations in these cities by Joseph L. Hooper, representative from Michigan on behalf of the National Chamber, at the afternoon session of the National Councillors, held Monday, April 29.

In introducing Mr. Hooper, President Butterworth praised the winning organizations for their continuous efforts in reducing fire waste in their cities.

Our Crime of Waste

AS A preface to his remarks Mr. Hooper said that of all America's national vices the worst has been its wastefulness.

"Of the different classifications of waste of which our nation has been so guilty in the past," he said, "one of the most appalling has been that of fire.

"The Inter-Chamber Fire Waste Contest was begun in 1923 as a result of an awakening realization by business men of the tremendous annual waste to life and property through fire. America had long held the lead in this as in other forms of waste. In spite of many and varied municipal precautions the totals continued upward each year.

"The effect of this campaign by the National Chamber of Commerce and its affiliated bodies became at once apparent.

"In each succeeding year the losses to property and life decreased. In 1927, I am informed, there was a drop of nearly 90 million dollars in property loss compared with the preceding year. The complete statistics for 1928 are not yet available, but it is definitely known that a minimum additional decrease of 20 million dollars was brought about. While many factors must necessarily enter into this amazing result, it is certain that massed business influence and leadership have played a large part.

"Along with the reduction in fire loss the record for the preservation of human life has steadily advanced. In the 1928 contest more than 80 per cent of the cities reporting either reduced the number of persons killed or made the splendid report 'No death from fire'."

Before presenting the awards Mr.

Bankers to Industry Everywhere



The _____ Company is a large furniture retailer in a mid-western city. As its business outgrew its capital the Company turned to C. I. T. for aid in financing its large volume of time payment sales. C. I. T. established an adequate credit line. At convenient intervals the Company discounts accumulated customer paper, repaying us in equal monthly installments as collections are made.

With C. I. T. Service the large or small furniture merchant can maintain a liquid position, take advantage of his manufacturer's cash discounts, and use his own capital to most profit.



Every question the furniture merchant would want to know about C. I. T. service is answered in this new booklet.

How to Make Working Capital ' ' Work

EVERYONE who sells on long term credit has to decide how best to handle the customer "paper" taken in part payment. Nobody wants working capital tied up in banking customers when it is urgently needed in the business nor is it often practicable or even wise to keep on hand large surplus funds for which there is no steady use.

The modern answer is C. I. T. financing service to turn customer paper into cash and give you the cooperation of the C. I. T. staff of experts in every phase of credit merchandising. It means conserving your own working capital for needs which count most toward larger net earnings.

Write for C. I. T. Plans covering Credit Sales of

Agricultural Machinery
Aircraft
Automobiles
Baking Machinery
Boats
Bottling Machinery
Contractors' Equipment
Conveyors
Dairy Machinery
Electric Appliances

Embossing Machines
Furniture
Garage Equipment
Gas Equipment
Hotel Furnishings
Newspaper Presses
Oil and Gas Heaters
Organs
Pattern Machinery
Pianos, Phonographs

Printing Machinery
Radios
Refrigerators
Saw Mill Machinery
Store Fixtures
Textile Machinery
Theatre Equipment
Washing Machines
Welding Machinery
X-ray Machines

and many other products

COMMERCIAL INVESTMENT TRUST CORPORATION

Executive Offices, One Park Avenue, New York

Subsidiary and Affiliated Operating Companies with Head Offices in New York... Chicago... San Francisco... Toronto... London... Berlin... Paris... Brussels... Copenhagen... Havana... San Juan, P. R... Buenos Aires... Sao Paulo Sydney, Australia Offices in more than 100 cities.

CAPITAL AND SURPLUS \$50,000,000.

When writing to COMMERCIAL INVESTMENT TRUST CORPORATION please mention Nation's Business

JOHN HANCOCK SERIES

About Your Wife's Business

YOU would not try to conduct your business without a system of accounts.

Your wife's business — the management of your home — also needs a method to keep it in good financial condition.

Let her make a trial of the John Hancock Home Budget, a system of household accounting, which is solving the problem of family finance for many wives.

Your local John Hancock office will be glad to send you a copy, or you may have one by addressing

INQUIRY BUREAU



197 Clarendon Street Boston, Mass.

Please send me, Free, your Home Budget Sheet. I enclose 2c. for postage.

Name

Address

N. B. OVER SIXTY-FIVE YEARS IN BUSINESS

THIS Summer Visit MICHIGAN

"The Peninsular Paradise"



VISIT Summer's Comfort Zone. Four of the GREATEST LAKES lap its soil. It possesses 5,000 inland lakes and thousands of rivers and streams. A \$250,000,000 highway system leads to 78 state forests, the Huron National Forest, 67 state parks, game refuges, hundreds of golf courses, federal and municipal airports, gay resorts and quiet retreats.

Great railroad systems and steamship lines make every section readily accessible.

MAIL THE COUPON

East Michigan Tourist Ass'n
Box 297 Bay City, Mich.

Please send (without charge) information I have checked:

Summer hotels () Cottages () Camps ()
Golf () Fishing () Touring ()
Boating () Boys and Girls' Camps ()
Hay Fever and Asthma () Gen'l Inf. ()
Mineral Baths () Hunting and Fishing Clubs ()
If I come it will be by
Auto () Rail () Boat () Air ()

Name

Street

City State

When writing please mention Nation's Business

Hooper paid tribute to the chambers of commerce which submitted reports only slightly below the winners in their accomplishments. He stated that each of these organizations had been listed for honorable mention and would receive an engraved certificate as evidence of its achievement.

Keeping Big Fires Small

IN presenting Detroit's award to Paxton Mendelssohn, chairman of the Fire Prevention Committee of the Detroit Board of Commerce, Mr. Hooper referred to a reduction of more than \$2,000,000 in fire losses in that city last year although 29 additional buildings were erected.

Not a single fire spread beyond the building in which it originated. In accepting the trophy Mr. Mendelssohn said that the winning victory was really accomplished jointly by the Detroit Fire Department, the fire marshal, the arson squad, and other organizations and agencies which cooperated with the Fire Prevention Committee at all times.

The fire loss in Erie last year was \$67,220 or 48 cents per capita. Mr. Hooper mentioned some of the activities which the Fire Prevention Committee of the Erie Chamber had under way to indicate the intelligent manner in which that group is solving the fire waste problem of its city. James S. Dunwoody,

chairman of the Erie Fire Prevention Committee, responded.

In referring to the achievements of the Lakewood Chamber, Mr. Hooper stated that its report was the most complete and most detailed ever received in the history of the contest. For five years the per capita fire loss in Lakewood has averaged 56 cents annually and in 1928 that figure was reduced to 42 cents per capita. The spokesman of the Lakewood delegation was Chief Joseph H. Speddy of the Lakewood Fire Department.

The Owensboro Chamber of Commerce carried on a continuous educational program through the schools, churches, civic clubs and press to such an extent that the number of fires was materially reduced and the fire loss, 54 cents per capita, was the lowest in the last 30 years of the city's existence. Mr. Hooper presented the Owensboro trophy to Representative D. H. Kincheloe, of the Second Kentucky District in which Owensboro is located.

The final winner to be honored was the Albany Chamber of Commerce which has won awards in three previous contests. Its fire loss last year averaged 24 cents per capita, the lowest in the city's history. The total loss for the year was \$4,520. John A. Davis, former president of the Albany Chamber of Commerce, accepted the plaque in behalf of his organization.

A Clearing House of Experience

(Continued from page 12)

audience the moving story of the ruin of many prairie farmers. It appeared from Elijah's talk that more than a piece of legislation would be required to pacify the corn belt.

On the other hand, in a round table discussion of farm problems, representatives of cooperatives expressed their dissatisfaction with the stabilization corporations embodied in the farm relief bill.

No subject got more faithful attention than that of credit supply, particularly the relation of the Federal Reserve system to the stock market. It was examined all through the meeting. The Federal Reserve Board was both commended and condemned, but experts seemed less to differ in their attitude toward the Board than in the compass point from which they approached the great edifice of credit.

The meeting in its resolution supported the Reserve System and announced that the Chamber has been investigating the whole subject.

The ways Government touches business—tariff, taxes, trade regulation—all received their examination somewhere in the more than two score meetings. The tariff was bound to get into any business

convention meeting just at that time, and it was given formal place by the speeches of Representative Willis C. Hawley of Oregon, chairman of the House Ways and Means Committee, and C. H. Cahan, Montreal member of the Canadian parliament. Chester Rowell, California journalist, pointed in a brilliant address to the new fields of trade expansion beyond the western sea.

Dr. Julius Klein told the International Chamber of Commerce, American section, that the countries of the Old World "obviously have every right to set up preferential apparatus in their possessions to favor the commerce under their respective flags."

Everybody admitting everybody's right to restrict trade, it would seem finally that we might get back to consider whether trade does best under restriction or free movement.

The National Foreign Trade Council presented its resolution advising against acts which would retard the natural inflow of goods and invite retaliation. Former President Barnes likewise cautioned American leaders against overstating their case and bringing upon themselves the reprisals of the world, and H. H. Rice, of General Motors, representing the one

The Capacity for Modern Financing

AMERICAN industry moves in giant strides To continue its advance towards higher levels in public welfare, industry requires new capital and sound financial structures The services of our organization bring more than a quarter of a century of successful experience in the adequate financing of both large and medium sized enterprises Such financing involves much more than that of the moment and demands a continuation of responsibility towards the protection of future requirements



H.M. Byllesby and Co.
Investment Securities

231 SOUTH LA SALLE STREET CHICAGO

New York • Boston • Philadelphia • Pittsburgh • Providence • Detroit • Minneapolis • St. Paul • Des Moines • Kansas City

As underwriters, wholesalers and distributors of general investment securities, our capacity and equipment assure prompt, efficient and economical financing for any business institution for which we accept financing responsibility. A large number of investors rely upon our investment recommendations.



Industry goes ...AUTOMATIC

PEELLE Freight Elevator Doors are specifically designed to meet modern industrial needs for speed and enduring service. Electrified...they operate instantly...automatically...at the touch of a button. They can be operated from within, outside of car, or from any control point desired. They accelerate vertical freight traffic, lessen manual labor, link floor to floor with greater efficiency and economy. Consult our engineers...or write for PEELLE Door Catalog.

THE PEELLE COMPANY, Brooklyn, New York
Boston, Chicago, Cleveland, Philadelphia, Atlanta and 30 other cities.
In Canada: Toronto and Hamilton, Ontario

PEELLE Freight Elevator DOORS

"The doorway of America's freight elevator traffic"

39 consecutive issues of NATION'S BUSINESS to keep you informed of every important trend in business until August, 1932!

To the U. S. Chamber of Commerce
Washington, D. C.

Send me NATION'S BUSINESS, your official monthly publication, beginning with the July number. Bill me later for \$7.50 for the three year term-subscription (OR: I enclose remittance with this coupon).

NAME _____

ADDRESS _____

CITY AND STATE _____



industry which had asked for an easing of its own "protection," echoed Mr. Barnes' sentiment. It was clear that the round table agreed that industry should be protected, but disagreed considerably upon what protection was.

Senator Henry J. Allen, of Kansas, alluded at the banquet to the necessity that American trade be extended by the quality of our product and the excellence of the service, not by force, which in the end is not worth the trouble.

It was apparent in another of the round tables that the Trade Practice Conference is still in evolution. Not enough of them have been held since 1919 to explore their possibilities completely.

Regardless of theory as to how these Conferences may develop, the speakers were strongly in favor of holding them. Christie Benet of Columbia, S. C., one of the most enthusiastic for the Trade Conferences, suggested that economists ought to be employed on them, and, coming from a lawyer, this is indeed recognition for economists.

Still No Auto Saturation

DISCUSSIONS in the realm of city planning were this year as usual very largely interested in the problems raised by the automobile and truck. Alfred Reeves, of the National Automobile Chamber of Commerce, made the usual announcement that saturation is a long way off, so long as there is a place to put the cars, but when he mentioned parking regulation he made it clear that unexpected results sometimes follow the best of these intentions.

That type of "budgeting for change" recommended for industry was also suggested for municipalities, at least a type of budget which would enable the community to schedule something for improvement that it can for the moment get along without.

Alfred Bettman, the wheelhorse of civic improvement in Cincinnati, went so far as to say the plan influences comfort and living costs more than any other single factor in city life.

When the meeting closed with the election of Julius Barnes as chairman of the Chamber's Board of Directors, succeeding the late Joseph H. Defrees, I thought of the remarkable address Mr. Barnes delivered at the opening, his opulent parade of the change, the complexity and the magnitude of today's economic life. Government, he said, is more clearly interlaced with the business fabric than it ever was before.

It seemed to me probable that when the delegates returned in another twelve months they would find that governmental "interference," or at least impingement, on business, was likely to be multiplied in its contacts instead of diminished. The day of the individualist is going, and the day of organized business is here.

Business Goes On Record

(Continued from page 31)

lems. The enactment of a great project of legislation in the interest of agriculture appears imminent.

It is in the national interest that such a project should have beneficial results of widespread importance. This Chamber and its membership should contribute in any way within their power toward the success of such an undertaking.

To this end we believe the Chamber should have a committee to follow the development of the plans of the Federal Government, to suggest ways in which the Chamber and its members may lend their assistance, and to bring forward any questions upon which the Chamber should reach further policies.

For such a committee there are tasks to which it could at once turn its attention, in cooperation with other appropriate committees of the Chamber, such as the field of research in which the Federal Government should operate by reason of the national interest in agriculture, and the utilization of its products and byproducts, and the opportunities for improved facilities through extension service for getting wide adoption of the results of research.

Railroad Rate-making

THE POWER given to Congress in the Constitution to regulate interstate commerce includes the power to regulate railway rates. Congress can either exercise the rate-making power directly or

delegate it to the Interstate Commerce Commission or some other agency to exercise. The power of Congress could, of course, be used to abolish the Interstate Commerce Commission, if Congress deemed this desirable.

We believe, however, that Congress acted with wisdom and statesmanship when it created the Interstate Commerce Commission and delegated to it, as an impartial and expert body which would be informed by investigation, study and experience, the function of regulating railway rates.

Congress having created such a body for such a purpose, and having defined in the Interstate Commerce Act the broad principles that shall be applied by the Commission in using its power of rate-making, we regard it as unwise and contrary to sound public policy for Congress to fix rates itself, to give to the Commission detailed instructions as to the way in which the Commission shall apply the rate-making principles defined in the law, or to impose requirements for such elaborate investigations as unduly postpone rate adjustments which the Commission could otherwise make more promptly in accordance with the procedure and law already established. The Commission should be permitted to continue to regulate rates in accordance with its own expert knowledge and judgment as to the way in which the rate-making principles defined in the law should be applied in each particular case, and as to the relations that should be established between the rates paid by different sections of the country and different branches of industry and commerce.

It is a long established principle of rate-making that consideration should be given to the condition of the various industries, including agriculture, so that rates may be fair and not discriminatory and that goods may move freely in commerce. This principle of rate-making should be so applied as to give reasonable stability in the rate structure, since constant change and uncertainty would necessarily damage business and retard development, to the detriment of the national welfare.

Merchant Marine

THE ANNUAL meeting has had before it a report on "Handicaps to American Shipping." For the reasons appearing in this report we believe there are steps which should now be taken to

complete the removal of the menace of government competition and which would materially assist the private American merchant marine. Except as to a few ships considered as reserves, the vessels of the government laid-up fleet should be scrapped or sold for scrapping. The contract principle should be applied to assist in completing the disposal of the Shipping Board lines and at the same time providing for further needed development of our overseas shipping services, including the movement of seasonal peak traffic, and when such disposal of lines has been accomplished a reduced Shipping Board should be given the status of an agency to carry on the regulation of the relation of merchant shipping to the public. As further measures to eliminate government competition with private enterprise, steps should be taken to remove the Panama Railroad Steamship Company from the shipping business; the shipping requirements of the Panama Canal should be secured from private shipping companies.

The revision of the navigation laws now in progress should be actively prosecuted to completion.

Vacations don't matter ... say it to the Ediphone



AMERICAN BUSINESS is becoming a 12 month business —without a marked let-down in any season of the year. Office forces are about $\frac{2}{3}$ normal during the vacation period and no form of substitute can replace the brains of business on a holiday. The Ediphone is the one and only office tool you can depend upon to double the capacity of individuals and to keep business moving as usual with depleted forces.

It is a wise firm that looks forward to the vacation season and prepares NOW with a smooth-working Ediphone System ready for all summer emergencies without expensive substitutes and with the certainty of promptness in correspondence.

Our National Service will prove this at your desk and guarantee the continued satisfaction of your entire office. Hundreds of our customers, nearby, will tell you so. Telephone "The Ediphone," your city, or write for our book "Getting Action."



T. A. E.
Inc.

THOMAS A. EDISON, INC.,
LABORATORY AND GENERAL OFFICES
ORANGE, N. J.

World-Wide Service in All Principal Cities
LONDON OFFICE: Vernon Place, Southampton Row

Ediphone

Edison's New Dictating Machine

Ask for
Travel
Service

Tune in on the Thomas A. Edison Hour Every
Monday Evening over the N. B. C. Network

Prevent adjustment delays in Parcel Insurance



FOR the cost of a few pennies you can assure prompt adjustment of loss through theft, damage or destruction of each Parcel Post package you send out. Simply enclose a North America coupon in each Parcel Post package.

Any North America Agent can explain this inexpensive and dependable protection, or send the attached coupon for full information.

North America Agents are listed in the Insurance section of the classified telephone directories under "INSURANCE COMPANY OF NORTH AMERICA."

the North America way

"The Oldest American
Fire and Marine
Insurance Company"
Founded 1792

Insurance Company of North America
Sixteenth Street at the Parkway
Philadelphia, Pa., Dept. NB-5

Name

Street

City.....State.....

Wants information on Parcel Post Insurance

ASTRONOMY
PHYSICS
CHEMISTRY

SCIENCE

BIOLOGY
ANCIENT LIFE
PSYCHOLOGY

NEWS = LETTER

If your business is affected by scientific changes read this unique weekly. It rushes to you within fourteen days all vital news in every branch of science. Science News-Letter is written in a light, entertaining style. It is issued to no one but individuals and libraries. Many times the advance scientific information contained in this weekly gives the reader a most advantageous jump on his business situation.

Introductory Offer—\$2 for 6 months

2121 B St., Washington, D. C.

MEDICINE
HEALTH
HEREDITY

ENGINEERING
RADIO
AVIATION



When
You Come to
Atlanta

live at the Atlanta Biltmore, the South's Supreme Hotel. 600 outside rooms, smallest 12x20 feet; 4-acre park, 5 minutes from business, theatres, shops. Golf, tennis, swimming, horse back for our guests at Atlanta clubs.

RATES

Single	Double
\$4, \$5, \$6.	\$6, \$8, \$10.
30 Rooms at \$3.50.	

Write for booklet "Points of Interest in Atlanta"

and the changes affecting the Steamboat Inspection Service recommended in 1916 by the Chamber's Committee on the Department of Commerce are recommended for consideration. The duties of the Treasury Department affecting vessel measurement should be transferred to the Department of Commerce, and there should be national and international standardization of the measurement rules. Changes proposed by the report in the Seamen's Act, none of which would adversely affect seamen, should be made. Service records of seamen should be maintained through continuous discharge books. There should be legislation providing for adoption of the Hague Rules in form suitable to American conditions.

Restrictions on the disposal of ships abroad should apply only to those in which the Government has an interest or to which it has given aid. Congress should take the necessary steps to cause the Shipping Board to withdraw from the business of marine underwriting. The provisions of the Model Marine Insurance Law now in force in the District of Columbia and several states should be adopted in all states. Congress should be asked to make the necessary appropriations to give the Merchant Marine Naval Reserve proper financial support, and to provide and maintain proper quarantine facilities.

Federal Courts

THE CHAMBER of Commerce of the United States at its Sixteenth Annual Meeting, adopted a resolution deploring any and all efforts to obtain the adoption of legislation which tends to minimize the power or diminish the jurisdiction of the federal courts, or to substitute the legislative will for the discretion of the court in the discharge of a judicial duty. The Chamber of Commerce of the United States reaffirms its position as above stated opposing attempts to restrict the functions of the federal courts.

Federal Taxation

WITH THE national debt reduced nearly ten billion dollars since the close of the war, with the activities of the Government now brought more nearly to the orderly routine of normal times, and with large surpluses accruing in recent years in the National Treasury, it seems obvious that federal taxes should now be levied with the economic welfare of the country steadily in view, and all proposals for new expenditures by the Federal Government should be carefully scrutinized, in order that none may be granted unless their justification is clearly apparent.

The present rate of federal income tax on corporations, at 12 per cent, is burdensome on productive enterprise. It handicaps business development and, by reducing earnings that might be available for dividends, it curtails the amount of other taxable income. The rate is a discrimination against the corporate form of business enterprise. In theory and in equity the tax should correspond more nearly with the normal rate on individual incomes.

Every opportunity permitted by the financial situation of the Federal Government should be utilized for the reduction of the corporate rate to a more equitable level.

Tax Liability

PROMPT settlement of liability for federal taxes is in the interest of both government and taxpayers. While some unnecessary delays are attributable to taxpayers, the seriousness of the problem in the main has been due to congestion in the Bureau of Internal Revenue. Heretofore changes in administrative organization for the purpose of expediting tax settlements have resulted largely in transferring congestion from one point to another with little relief to taxpayers. Some improvements have resulted from current efforts to develop means of speeding up tax settlements. We recommend such efforts and urge that long delayed cases now be rapidly disposed of and that there be prompt final determination of tax liability in the future.

State and Local Taxation

BUSINESS MEN'S organizations, both commercial organizations and trade associations, have been turning their attention effectively to the problems of state and local taxation and of governmental activities which have results in taxation. These efforts have already contributed signally to the cause of good government.

Such progress has now been made in reducing the earlier chaos as to taxation of intangible personal property under inheritance tax laws that a majority of the states have enacted the statute for reciprocity in exemption of intangible personal property of non-resident decedents, or have given entire exemption for such property. It is especially timely for organizations in other states to urge the adoption of the statute for reciprocity.

Business is not limited territorially by state boundary lines. If any one state imposes excessive or annoying tax burdens the normal development of business and industry is hampered. Through various forms of fees, tax levies, and special im-

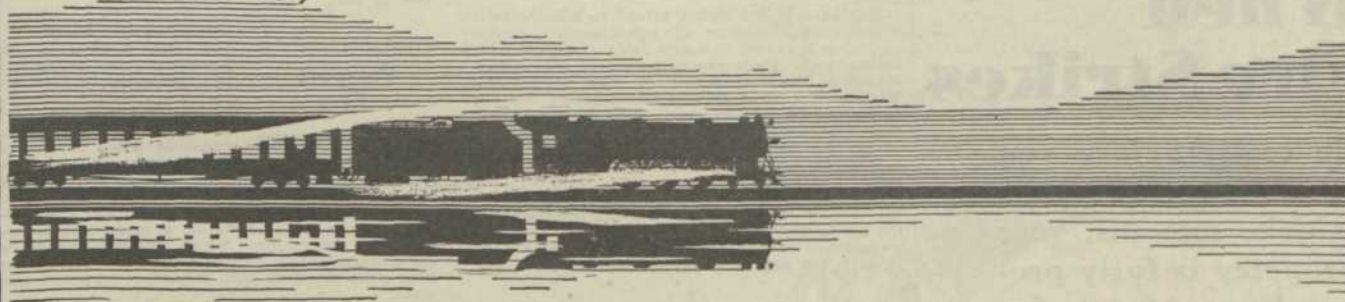
Marvelous NEW Portable Trap



Gives You
Trap Shooting
Wherever You Go

A new inexpensive, folding trap—light-weight, compact, automatic. Ideal for camp, for farm, aboard yacht—for every outing. Slips easily into your car—always ready for use. Trap comes complete with special mold for making your own birds. At your sporting goods or hardware dealer; or,

Write for Illustrated Folder No. 7
DUVROCK CO., 245 S. Main St., Los Angeles, Cal.



ANNOUNCING *The* **ERIE LIMITED**

BUSINESS MEN have long known the superiority of The Erie Railroad as a carrier of Fast Freight. The Erie Limited, a New 25-Hour de luxe train between New York and Chicago, is a flying invitation to become better acquainted with this Heavy Duty Railroad as a passenger Route.

Here is a handsome, fast, modern Train serving the great family of communities in Six states which comprise the American Industrial Empire. Its schedules are arranged for the convenience of busy men and its comforts and conveniences will appeal to others as well.

Dearborn station, right at "The Loop" is The Erie Limited's terminal in Chicago. The Front Door of New York is its home plate in the East.

A new
**TWENTY-FIVE
HOUR TRAIN**

between

**NEW YORK
and
CHICAGO**

with

Through cars between
New York and Buffalo

Westbound		Eastbound	
New York	Chicago	Chicago	New York
West 23rd St. Sta.....	8:35 AM EST	5:35 PM CST	
Chambers St. Sta.....	8:45 AM EST		
Jersey City Sta.....	9:10 AM EST	Jersey City Sta.....	7:10 PM EST
Chicago	8:25 AM CST	Chambers St. Sta.....	7:22 PM EST
		West 23rd St. Sta.....	7:50 PM EST

ERIE RAILROAD SYSTEM



Be Ready When Fire Strikes

Be ready *before* you have a fire.

Make sure that your property is fully protected now. After the fire will be too late.

The Pyrene Company makes *all* types of fire extinguishers. Since 1907, Pyrene has been the outstanding name in fire protection.

The Pyrene Fire Protection Engineers will make a complete survey of your property. They will point out the danger points and suggest the correct type of extinguisher to locate at each point. Write for this service which is free and places you under no obligation.



PYRENE MFG. COMPANY
NEWARK, NEW JERSEY

Branches: Atlanta Chicago Kansas City
San Francisco

Makers of Fire Equipment since 1907
and Pyrene Tire Chains

posts upon business enterprises incorporated in other states, there have thus been created undue handicaps upon the interstate movement of capital and goods. It is urged that in the coming year trade associations give special study to aspects of this problem pertinent to their special fields and that chambers of commerce consider the matter from the point of view of conditions in their states. Removal of excessive burdens upon firms and individuals doing an interstate business will prove to be not only in the general interest of the country but also of the levying states.

The methods by which public funds are raised and expended in every state and locality should have thorough examination by business men's organizations. This should embrace the planning and budgeting for a period of years of expenditures of a capital nature, including their proper financing whether through current receipts or borrowings. Out of such examination will develop a national demand for capable management of public finances.

This examination should extend to administrative organization. Diffusion of administrative responsibility is apparent in many fields of governmental management. There are opportunities for simplification in the organization of state governments. Various cities have already demonstrated the possibilities of reorganization and coordination in their administrative services. A defective local government is frequently apparent in the number of overlapping taxing and spending jurisdictions. Coordinated and sustained attention to these problems from business men's organizations in all parts of the country will go far toward the assurance that the public will get proper benefits from each dollar collected in taxation, and that taxation will not be used for improper and unnecessary purposes.

Tariff Commission

THIS CHAMBER has by early referendum approved the principle of maintenance and encouragement of our export trade in tariff legislation so far as consistent with reasonable protection for American industry. In recent years there has developed a great appreciation of the necessity for maintaining fair and just protection for America's higher wage scales and living standards yet coupled with an appreciation that international trade under proper conditions benefits America as well as other countries and that there should be no unnecessary trade barriers. In the determination of a fair and just protective tariff schedule accurately reflecting these considerations and flexible enough to meet changing economic conditions, administrative authority is required to act promptly after investigation and within legislative limits. This Chamber has consistently supported, from an early date, the legislative permission for adjustment of tariff rates by administrative authority within the limits prescribed by Congress. While the Chamber does not now specifically recall its earlier recommendation for both a fact-finding Tariff Commission and a separate Tariff Adjustment Board, this Chamber expresses a desire that the established Tariff Commission should be strengthened by the necessary authority for expeditious determination of these questions with full responsibility under the President of the United States.

Import and Export Prohibitions

DURING 1928 the United States, with 27 other nations, signed the International Convention for the Abolition of Import and Export Prohibitions and Restrictions and a supplementary agreement to the Convention, designed to remove barriers to foreign commerce which have carried over from the years of the World War or have appeared during the post-war adjustment. It does not affect the tariff systems or the treaty-making methods of the participating countries. In the United States such restrictions have been removed, but in many important foreign markets, particularly of Europe, certain restrictions still apply.

American exporters have found their activities substantially affected by the obstacles which the Convention aims to remove. Ratification of the Convention by the Senate of the United States is urged, therefore, in further support for our foreign trade.

Policies Toward Immigration

THE PROVISIONS of the Immigration Law of 1924 which apply the quota limit system to the countries of Europe, Asia, Africa and Australasia, on the 1890 census basis of foreign born, have been in operation now for nearly five years. These provisions have become an accepted part of our national policy. Our industrial and sociological life, our citizens, and our foreign-born residents, as well as foreigners abroad who are contemplating coming to this country for permanent residence, have largely adjusted themselves to this policy.

During this period of so-called national origins provision of the 1924 Immigration Law, which originally was intended to replace on July 1, 1927, the quota limit system based on the 1890 census, referred to above, has not been in operation. This

provision purposes to limit immigration from old world countries to about 150,000, as compared with the 164,667 at present admissible, and to allow an annual quota to any nationality equal to a number which bears the same ratio to 150,000 as the number of people living here in 1920 having that nationality bears to the total number of our inhabitants. This provision has been twice postponed by Congress in the face of problems, as yet unsolved, connected with the development of a satisfactory plan for the accurate determination of the racial content of the country.

It would be a mistake, in our opinion, to disrupt the adjustments which have been made under the actual operation of the law to date, and by changing the basis of present quotas unnecessarily to stir up racial antagonisms. We, therefore, recommend the repeal of the national origins provision of the Immigration Law of 1924, and urge the continuance of the quota limit system now in operation based upon two per cent of foreign born living here in 1890.

Passport Fees

HIGH FEES charged by our Government to its citizens for the passports they require are a burden upon international travel necessary to commerce. Whatever the conditions which led to the present fees, those conditions would seem to have passed. We believe the time has come when our Government should reduce its fees for passports to a reasonable charge for the service which is performed. This recommendation is made with recognition of the progress which has been made by our Government in making reciprocal arrangements with other countries with respect to passports and visas.

Trans-Pacific Press Messages

THERE IS need of improvement in trans-Pacific facilities to permit more complete press messages upon important subjects. That there may be improvement in such facilities, we request the Government of the United States to make representations to the Chinese government for the purpose of obtaining from the Chinese government equality of American companies with the companies of other countries in rights heretofore granted by China relating to press messages, which rights expire in 1930.

Commercial Aeronautics

AIR TRANSPORTATION is essentially national in scope. State legislatures are urged to have interstate rather than merely intrastate service in mind for their citizens when drafting aeronautical legislation and member organizations are urged to support this principle. Uniformity of aeronautical legislation is necessary and it is important that in enacting such legislation the states should conform their laws and regulations to those of the Federal Government. The establishment of airports is essential to the proper expansion of air transportation. Appropriate legislation should be enacted to enable the states, municipalities and counties to appropriate funds and acquire lands for the practical development of aeronautics through the establishment of airports and the encouragement of the use of aircraft.

Mineral Industries

THE MINERAL resources of the United States are so varied and form such a large part of the natural assets of the country that the need of a broad and balanced program for their development becomes apparent only in times of national emergency. The approaching era of severe international competition makes it timely to give recognition to a national program and for provision by the Federal Government to assist mineral industries in solving the problems which confront them. For this purpose the United States Bureau of Mines and the United States Geological Survey should be maintained at highest efficiency, scientific inquiry should be fostered for the solution of the problems of the mining industries, mining should be encouraged by relief from excessive taxation, and there should be governmental cooperation for the purpose of enabling essential mineral industries to meet the requirements for national welfare and the exigencies of a national crisis.

Federal Highway Appropriations

THE CONSTANT expansion of motor transportation has brought with it new demands for highway construction and improvement despite the great progress made during the past decade. Because of this condition, state highway departments have found it necessary to expand the mileage of their systems at a time when traffic requirements on the main roads are reaching new peaks.

Coincidentally, federal cooperation in the improvement of the main roads faces curtailment through the fact that reserve funds accumulated



Our Daily Bread

... Sixteen Million Loaves

THE AMERICAN housewife demands 16 million fresh loaves of bread a day.

To meet her demand, not only must these millions of loaves be baked fresh early every morning; but most of them today must be wrapped in waxed paper, to keep them fresh, clean, untouched and in perfect condition.

This seemingly impossible task has been made possible by America's amazing developments in automatic machinery. Super "New Era" Mixers and AMF Standard Breadwrapping Machines are playing major parts. These great mixers produce dough for more than 50,000 loaves in two 8-hour shifts, while AMF Breadwrapping Machines, keeping pace with this production, have improved the quality of wrapping and lowered the cost.

AMF Automatic Machines are making possible the widespread distribution of many

other products equally familiar to you . . . The Fresh Work Cigar Machine makes 4,000 to 4,500 perfect long filler cigars a day. The Cigar Foiling Machine automatically wraps 21,000 cigars a day in foil and tissue. The Standard Cigarette Machine produces 750 cigarettes per minute while the Standard Cigarette Packer assembles 20 cigarettes to the package at the rate of 75 or more packages per minute.

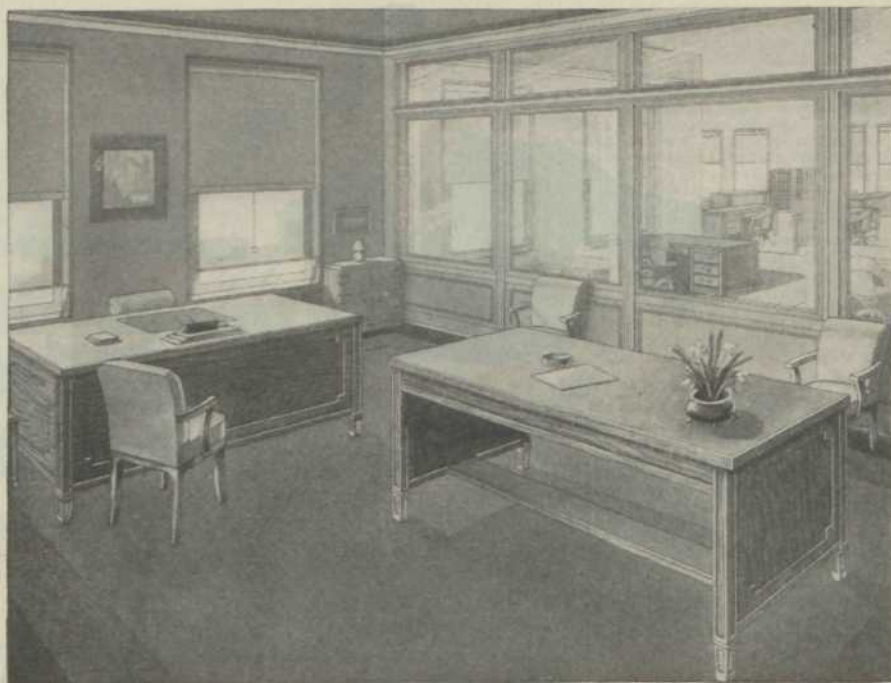
AMF Automatic Machinery has been developed to increase production and reduce costs for a wide range of industries in all parts of the world. You, too, may be producing a product which can be handled faster and more economically, automatically. An AMF Engineer will be glad to discuss your problem with you.

AMERICAN MACHINE & FOUNDRY CO.
Sales Offices: 511 Fifth Ave., New York City
Works: 5502-5520 Second Ave., Brooklyn, N.Y.



AUTOMATIC MACHINERY

When writing to AMERICAN MACHINE & FOUNDRY Co. please mention Nation's Business



How long are your Office Hours?

Convenient equipment can speed them fast...while poor equipment makes them drag

THE cold, drab office is fast becoming a memory. Business men today think of the well-furnished office as a good investment. You spend half your waking time there. It should be up-to-date, comfortable... a place for better work.

It can be with the pleasant surroundings of modern Art Metal Equipment. Smart, good to look at... this office furniture. And designed with a knowledge of modern business needs. Planned for efficiency... to work smoothly... to eliminate irritation and speed routine.

Whatever your needs, Art Metal can fill them. Desks for executive or staff; fire safes of permanent, pre-tested protection; files for every pos-

sible requirement; shelving; any office piece, even the partition in the office above... designed by engineers with forty years' experience... executed by master craftsmen and reasonably priced. Best of all, first cost is last since steel does not splinter, break or warp—and steel reduces fire hazard.

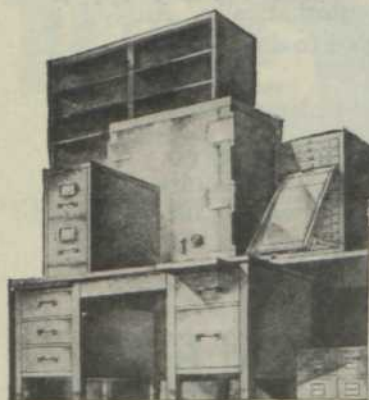
See this attractive furniture and equipment finished with special enamels in natural wood grains or rich olive green. See the wide variety of price and line... the most diversified line in the world. On display locally in over 500 cities.

**Write for beautiful color booklet
of office interiors... free**

"Equipping the Modern Office" is illustrated with paintings by Lurelle Van Ardsdale Guild, widely known New York Decorator. They suggest a few of the pleasing and practical office interiors that may be achieved through the use of Art Metal Equipment. We shall be glad to send you a copy along with any of the catalogs listed below. Just write, mentioning the ones you wish.

Art Metal Construction Co., Jamestown, N. Y.

- | | |
|-------------------------------------|---|
| <input type="checkbox"/> Desks | <input type="checkbox"/> Upright Unit Files |
| <input type="checkbox"/> Plan Files | <input type="checkbox"/> Counter Height Files |
| <input type="checkbox"/> Fire Safes | <input type="checkbox"/> Horizontal Sectional Files |
| <input type="checkbox"/> Shelving | <input type="checkbox"/> Postindex Visible Files |



Art Metal

STEEL OFFICE EQUIPMENT

during the post-war period are now exhausted. Moreover, while two-thirds of the principal roads have undergone preliminary improvements, this work has been done very largely at the expense of the states although the nation as a whole derives a direct benefit. Increased federal funds for use on the interstate system will at once expedite completion of this work and will release state and local funds for use on secondary roads.

These increases are fully justified from an economic point of view and should be made with due regard for the state of the treasury and other public needs.

Forest Resources

RECOGNITION of the national interest in the forest resources of the country appears in the program approved last year by Congress for investigation, research, and experimentation with respect to forestry problems. There are many important and urgent forestry problems, toward the solution of which the activities of the Federal Government contemplated under the program which has been adopted would greatly contribute. This program should accordingly be placed in effect at once, through substantial appropriations.

Highway Advisers to Latin America

THE PRESIDENT of the United States has recommended to Congress that he should be given the same authority to name engineering advisers to American republics which may request their services as he may now exercise in appointing military and naval advisers. The appointment of highway advisers, who have had important participation in the construction of projects in the United States, will place at the disposal of Latin-American countries which have highway problems the benefits of the experience we now have in the United States by reason of the progress which has been made in the construction of improved roads, and we believe Congress should take prompt action.

Distribution Studies

CONGRESS should provide more adequate appropriations to permit the Division of Domestic Commerce of the Department of Commerce to undertake detailed cooperative distribution studies with those fields of industry which are interested.

Health Conservation and Accident Prevention

THE GRATIFYING progress of recent years in extending the average span of human life gives good reason to expect further advance through concerted efforts, both for health conservation and for prevention of accidents, which are constantly growing and cause the premature death annually of thousands of our citizens. In order to conserve life and health to the fullest extent there should be further development of national interest and of national activity. In efforts directed to this purpose the Chamber should participate and should enlist the widest possible cooperation on the part of its membership.

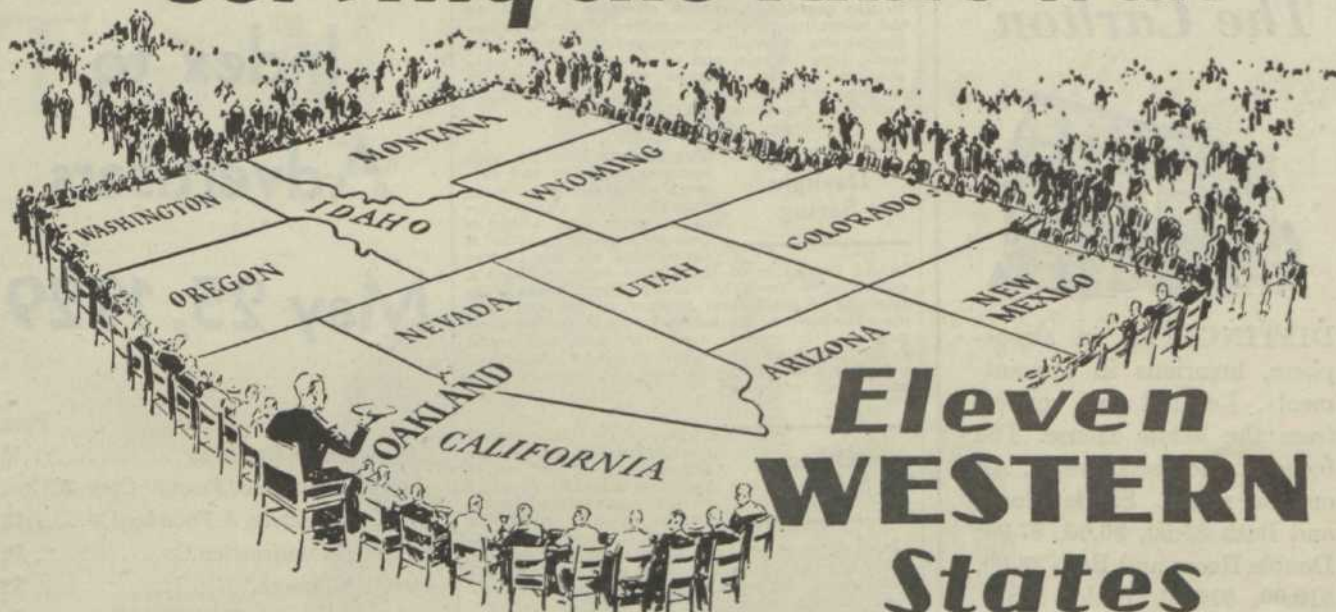
Fire Waste

THE CHAMBER of Commerce of the United States and its organization members have participated in a sustained endeavor to decrease the waste resulting from fires which might be prevented. For further progress in reduction of fire waste it is important that all states should have adequate and uniform legislation against the crime of arson in all of its forms. Such legislation should always subject to the penalties provided for the crime of arson, not only those persons who burn the property of others, but persons who willfully and maliciously burn their own buildings, or who aid or procure such burning, as well as persons who make preparations at a building to commit the crime of arson. The preparation of legislation for this purpose might properly have the attention of all agencies, official and private, concerned with advancement of uniform state laws.

Traffic Regulation

THE CHAMBER in 1927 endorsed the comprehensive program of principles developed by the National Conference on Street and Highway Safety, including the principle of uniformity in traffic laws exemplified in the Uniform Vehicle Code recommended by the Conference for adoption by states. In recognition of the need for carrying this principle of uniformity as far as practicable into the traffic regulations of cities and towns, there was developed last year for the Conference a Model Municipal Traffic Ordinance. This Ordinance should be given careful consideration by all municipalities, and incorporated in their local regulations to the fullest extent compatible with the conditions prevailing in those municipalities, to the

Serving the Table of the



MANY manufacturers of food products have found, others will find, that to serve the markets of the eleven western states—Oakland, California, is the logical point for their Pacific Coast operations. Central location and superior distributing advantages by truck, rail, and water to the markets of the eleven western states, and by water from the Port of Oakland to Eastern, European, and Oriental ports are most important factors. Oakland and its neighboring cities of Alameda County constitute the canning and packing center of the West, and rapidly forging ahead in many other lines of foodstuffs.

At Berkeley is the Pacific Coast plant of the H. J. Heinz Corporation (of "57" fame), which plant represents an investment of \$2,000,000 and covers an area in excess of two city blocks. The California Packing Corporation (Del Monte brand) operates nine plants in Alameda County; one in Berkeley, two in Emeryville, five in Oakland, two in San Leandro, one in San Lorenzo, and one in Alameda. Other food packers prominent in the development of this industry in Alameda County are:

Pacific Coast Shredded Wheat Co.
Libby, McNeill & Libby
Rosenberg Bros. & Co.
Sutter Co-operative Growers

California Co-operative Producers
Pacific Coast Cannery, Inc.
Kings County Packing Co.
B. H. Body Company, Inc.

Allied with the canning industry is the manufacture of containers, and both the American Can Company and the Continental Can Company have large plants in Oakland.

Terminals located on both shores of the Oakland Inner Harbor are the largest handlers of canned goods and dried fruits in the world. Over one dock alone there were shipped 43,000 tons of canned goods to the Atlantic seaboard last year and 25,000 tons to foreign ports.

Taking into consideration that there are several other terminals, all of whom handle large quantities of these same products, and that in addition to this, that there are now two large warehouses under construction by the City of Oakland on the Outer Harbor for the purpose of accommodating 300,000 tons per year. A 26-acre private terminal for the handling of agricultural products, including packing and storage facilities, is also under construction on the Inner Harbor. From these facts it will be seen that the canning and packing center of the West is definitely established in Alameda County.

Shredded Wheat Plant
in Oakland



Heinz Plant in Berkeley

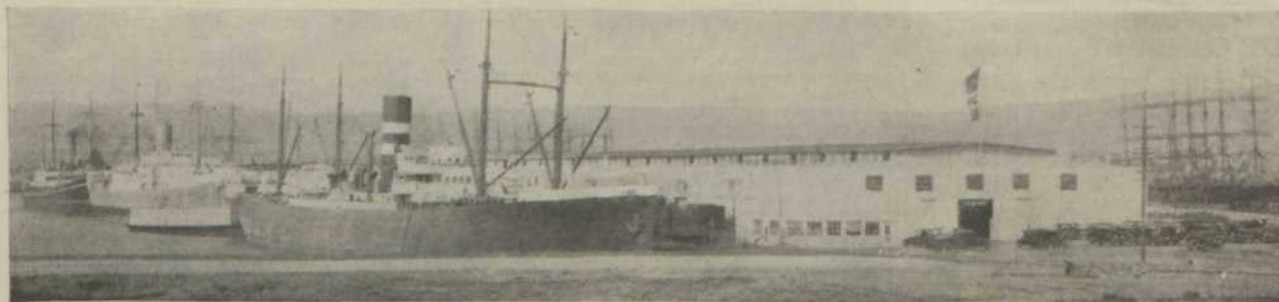


American Can Plant
in Oakland



Send for "We Selected Oakland," an interesting booklet which contains the personally-written statements of nationally-known manufacturers operating in the Oakland industrial area. For any information on the manufacturing and distributing advantages of Oakland and the surrounding territory write the Industrial Department, Oakland Chamber of Commerce.

OAKLAND • California



Terminal in Alameda which outranks any other on the Pacific Coast in canned goods and dried fruit handled annually

The Carlton



DISTINCTIVE in atmosphere, luxurious in appointments. Located two squares from the White House. The focus of the social world. All outside rooms. Single Room and Bath \$5.00, \$6.00, \$7.00; Double Room and Bath \$8.00, \$10.00, \$12.00; Parlor Suites \$15.00 and up.

Washington's MOST NOTABLE HOTELS

HARRY WARDMAN, President

The Wardman Park



THE COMFORT and beauty of a private home; the setting of a country club. Ten minutes from the theatrical and business districts. Supper dances, golf, tennis, riding, outdoor swimming pool, theatre, garage. Single Room and Bath \$5. Double Room, Bath, \$8.

When writing please mention Nation's Business

end that the chaos now resulting from conflicting rules in different states and different communities within states may be eliminated.

In furtherance of the principle of uniformity, it is also urged that careful attention be given to the recent report of a committee of the American Engineering Council recommending standardized traffic signs, signals, and pavement markings suitable for use in American cities and towns in harmony with the Model Municipal Traffic Ordinance and the Uniform Vehicle Code.

Daylight Saving

THE PRESENT situation, with many communities and sections using daylight saving time and others similarly located using time which is one hour slower, makes it appropriate for the Chamber of Commerce of the United States to have a committee to study the whole problem, including its relations to health and business, to the end that upon the recommendations of such a committee there may be a referendum among the membership and determination of the Chamber's policy whether or not there should be legislation by Congress to bring about uniformity.

Other Subjects

PROPOSALS THAT this annual meeting should commit the Chamber to declarations of policy on a number of other subjects came to the Resolutions Committee under the rules of the meeting. Upon phases of some of these subjects the Chamber already has policies. Others are of such a nature that there should be more study of the subjects in all their bearings before the Chamber formally takes a position. In order that these proposals may receive that detailed and careful study which is a feature of the Chamber's procedure, the Resolutions Committee recommends that they should be referred by the meeting to the Board of Directors. The subjects of the proposals are as follows, with suggestions which the Resolutions Committee wishes to offer as to the course the Board of Directors might follow with respect to each:

Automobile Liens;

Calendar Reform, with a suggestion that this report should be placed before the membership for a referendum vote;

Brussels Agreement Respecting Code Messages, with a suggestion that it be referred to the Committee of the Transportation and Communication Department;

Capital Gains, with a suggestion that it should be referred to the Chamber's Committee on Federal Taxation;

Grazing in National Forests, with a suggestion that the Chamber already is committed to the policy which is proposed;

Great Lakes-St. Lawrence Waterway, with a suggestion that it should be referred to any committee which may be created to consider major waterway projects.

Federal Control of Production, with a suggestion that the Chamber already has policies in opposition to such control;

Increase of Local Bonded Indebtedness, with a suggestion that it should be referred to the appropriate committees;

Inter-American Highway, with a suggestion that it should be referred to the appropriate committee for consideration when the project becomes more definite;

Muscle Shoals, with a suggestion that this subject might appropriately be considered within the jurisdiction of the Chamber's Committee on Water Power Policies;

Natural Business Year, with a suggestion that the subject should be studied and analyzed by the appropriate committee of the Chamber and the results of the study, embodied in a report, might be distributed to the membership for its information;

Other Subjects in report on Handicaps to American Shipping than those appearing in the declaration entitled "Merchant Marine";

Passport Visas, with a suggestion that by reason of the questions which have arisen as to visas for passports of immigrants this subject should be referred to the Chamber's Committee on Immigration for its study and recommendation;

Philippine Immigration, with a suggestion that it should be referred to the Committee on Immigration;

Philippine Trade, with a suggestion that a committee of the Chamber should study trade relations with the outlying possessions of the United States;

Postal Service, with a suggestion that the question of time-stamping is one of several questions which should be considered by the Chamber's Committee on Postal Service;

Reforestation of National Forests, with a suggestion that the subject should have the attention of the appropriate committee;

State and Local Revenues and Expenditures, with a suggestion that it should be referred to the Committee on State and Local Taxation;

Statute of Limitations on Tax Refunds, with a suggestion that it should be referred to the Chamber's Committee on Federal Taxation, which should be asked to consider the law and its administration in order to bring out features which operate unjustly upon taxpayers.

Index to Advertisers

May 25, 1929

	PAGE
Addressograph Company.....	55
Amer.-La France and Foamite Corp. 2d Cov.	
American Machine & Foundry Co.....	75
Art Metal Construction Co.....	76
Atlanta Biltmore.....	72
Austin Company, The.....	10
Burroughs Adding Machine Company..	43
Byllesby, H. M., and Co.....	69
Carlton Hotel.....	78
Coca-Cola Co., The.....	63
Commercial Investment Trust Corp....	67
Davey Tree Expert Co., Inc., The....	60-61
Domestic Electric Co., The.....	47
Duvrock Co.	72
Ediphone, The.....	71
East Michigan Tourist Association....	68
Egyptian Lacquer Mfg. Co., Inc., The. 3d Cov.	
Equitable Trust Co. of New York, The.	1
Erie Railroad System.....	73
Fokker Aircraft Corporation of America	51
General Motors Truck Company.....	45
Gillette Safety Razor Company.....	7
Goodyear Tire & Rubber Co., Inc., The	80
Guaranty Trust Company of New York	65
Industrial Dallas, Inc.....	56
Insurance Company of North America.	72
International Business Machines Corp.	8
International Harvester Co. of America	53
International Paper Co.....	57
Irving Trust Company.....	6
John Hancock Mutual Life Ins. Co....	68
Mohawk Carpet Mills.....	49
Norton Company.....	59
Oakland Chamber of Commerce.....	77
Peelle Company, The.....	70
Pyrene Mfg. Company.....	74
Richards-Wilcox Mfg. Co.....	3
S. K. F. Industries, Inc.....	2
Salt Lake City Chamber of Commerce.	66
Science News-Letter.....	72
Travel Air Company..... 4th Cov.	
Vacuum Oil Company.....	4
Worthington Pump & Machinery Corp.	79



YOU like his quiet enthusiasm, but you like even more his complete and competent answers to your questions. And you admire his assurance in making equipment recommendations, in detailing performance characteristics, in quoting prices and deliveries, because he quite evidently *knows* his subject.

What is his authority so thoroughly to commit his house? What is the basis of his positive knowledge? Just this . . . he is a Worthington post-graduate.

He and his colleagues, in Worthington engineering, production and sales, were recruited from the honor graduates of leading technical schools. They doffed their caps and gowns for overalls, laid down their

sheepskins for machinists' tools, and gladly spent many months in the Worthington plants at Harrison, Holyoke, Buffalo and Cincinnati. They took a thorough post-graduate course in Worthington Engineering. When they finished, they were Worthington men in fact as well as in name. It is significant that 76 out of every hundred of these candidates become permanent Worthington representatives.

WORTHINGTON PRODUCTS

PUMPS
COMPRESSORS
CONDENSERS
and Auxiliaries
DIESEL and GAS ENGINES
FEEDWATER HEATERS
WATER, OIL and
GASOLINE METERS

Literature on Request

. . . And it is important to you that the Worthington organization is imbued throughout with a spirit of precise engineering information, supplemented by a practical knowledge of exactly what Worthington products signify and what they are built to accomplish.

WORTHINGTON PUMP AND MACHINERY CORPORATION

Works: Harrison, N. J. Cincinnati, Ohio Buffalo, N. Y. Holyoke, Mass.

Executive Offices: 2 Park Avenue, New York, N. Y.

GENERAL OFFICES: HARRISON, N. J.

District Sales Offices:

ATLANTA	CHICAGO	DALLAS	EL PASO	LOS ANGELES	PHILADELPHIA	ST. PAUL	SEATTLE
BOSTON	CINCINNATI	DENVER	HOUSTON	NEW ORLEANS	PITTSBURG	SALT LAKE CITY	TULSA
BUFFALO	CLEVELAND	DETROIT	KANSAS CITY	NEW YORK	ST. LOUIS	SAN FRANCISCO	WASHINGTON

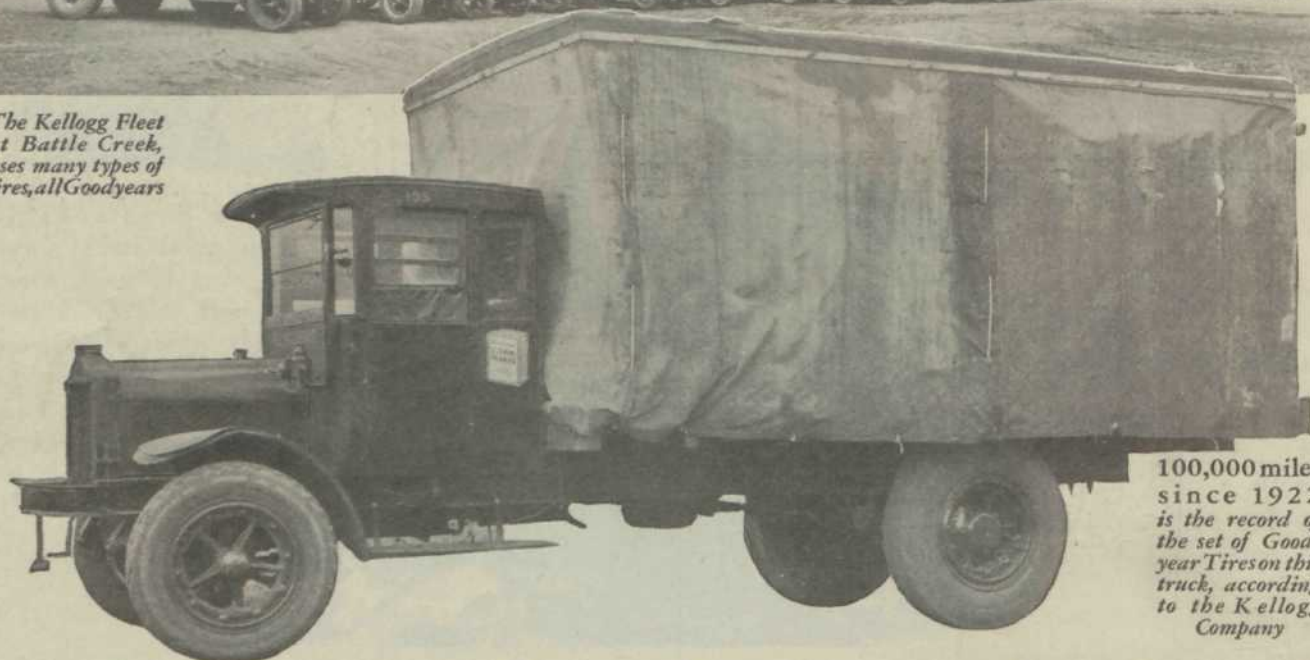
Branch Offices or Representatives in Principal Cities of all Foreign Countries



WORTHINGTON



*The Kellogg Fleet
at Battle Creek,
uses many types of
tires, all Goodyears*



100,000 miles
since 1922
is the record of
the set of Good-
year Tires on this
truck, according
to the Kellogg
Company

Kellogg's found *the right tire* for every car or truck is Goodyear

Heavy truck, light truck, sales car—every vehicle in the Kellogg fleet from coast to coast rides on Goodyear Tires.

The cost per mile, the freedom from delays, the convenience of service facilities—all these factors entered into the choice.

There are Goodyear Heavy Duty Cushions, for bulky loads on city streets; Goodyear Hollow Center Cushions on front wheels for easy riding; Goodyear All-Weather Tread Pneumatic Truck Tires for increased speed and traction; Goodyear All-Weather Tread Passenger Car Tires on salesmen's cars. "After having tried out a number of kinds of tires," says the Kellogg

Company, "it is the verdict among our men that Goodyears give the longest wear and the best of service."

The famous All-Weather traction of the Goodyear tread—and the extra-vitality, extra resilience and longer life of SUPER-TWIST in Goodyear pneumatics, have again shown that they deliver the proper combination of tractive power, low operating cost and mileage.

No matter what or where you haul, Goodyear builds the *right* tire for your hauling requirements. Goodyear Truck Tire Service Station Dealers everywhere are ready to give you prompt, helpful and competent service.

More Tons Are Hauled on Goodyears Than on Any Other Tires



Copyright 1929, by The Goodyear Tire & Rubber Co., Inc.

When buying GOODYEAR TIRES please mention Nation's Business to the dealer